

STATE OF HAWAII
DEPARTMENT OF LAND AND NATURAL RESOURCES
Land Division
Honolulu, Hawaii 96813

October 13, 2006

Board of Land and Natural Resources
State of Hawaii
Honolulu, Hawaii

Oahu

RESUBMITTAL:

Forfeiture of General Lease No. S-3856, Hemaloto Alatini and
Leona Alatini, husband and wife, Lessee, Waimanalo,
Koolaupoko, Oahu, Tax Map Key:4-1-024:023.

PURPOSE:

Forfeiture of General Lease No. S-3856, Hemaloto Alatini and
Leona Alatini, Lessee.

LEGAL REFERENCE:

Section 171-39, Hawaii Revised Statutes, as amended.

LOCATION:

Portion of Government lands of Waimanalo situated at Koolaupoko,
Oahu identified by Tax Map Key: 4-1-024:023, as shown on the
attached map labeled Exhibit "A".

AREA:

9.470 acres, more or less.

TRUST LAND STATUS:

Section 5(B) lands of the Hawaii Admission Act

DHHL 30% entitlement lands pursuant to the Hawaii State
Constitution: YES _____ NO X

CHARACTER OF USE:

Diversified Agriculture, which shall mean the cultivation of
truck, orchard, flower and nursery crops and shall not include or
embrace the cultivation of grasses or forage crops except as
"cover crops" and then only for the short periods between crops
consistent with good diversified crop practices; and provided
further, that nothing in this paragraph shall be construed as
intending to prohibit the Lessee and his employees from

maintaining a home garden and keeping chickens or other food and/or pleasure animals (excepting swine) for his own use and not for sale to others.

TERM OF LEASE:

55 years, commencing on August 10, 1964 and expiring on August 9, 2019.

ANNUAL RENTAL:

\$ 9,200.00 in annual payments.

REMARKS:

Agenda item D-12, dated September 8, 2006 (copy attached), requested the forfeiture of General Lease No. S-3856 to Hemaloto Alatini and Leona Alatini.

The Board approved staff's recommendation for forfeiture, but delayed implementation of the lease forfeiture until this matter is again brought before the Land Board at its meeting on October 13, 2006. Additionally, the Lessee is required to: (a) provide staff by October 2, 2006, a Diversified Agricultural Business Plan for 9.470 acres of leased lands; and (b) complete cleanup and removal of all items and personal property inconsistent with the use restriction of diversified agriculture.

Staff is now bringing this matter before the Land Board again. Staff inspected the site on September 27, 2006, with the Lessee, for the purpose of addressing for the Lessee staff's expectations. On this date, staff found four trucks on site, abandoned tree chippers, an abandoned truck, tree cuttings and tree stumps that were not completely removed. The Lessee, at that time, stated that all of the deficiencies would be cleared by October 11, 2006.

As of the date of the preparation of this submittal, October 2, 2006, the deficiencies have not been cleared. Staff will inspect the lot on October 11, 2006 and will report its findings to the Land Board on October 13, 2006.

The Diversified Agricultural Business Plan for 9.470 acres of leased land was submitted on October 2, 2006, the due date. See Exhibit "B". At the time of the preparation of this submittal, staff had not reviewed the Plan.

RECOMMENDATION: That the Board:

1. Implement its forfeiture of General Lease No. S-3856 approved at its meeting of September 8, 2006, agenda item D-12;

Or, alternatively, that the Board:

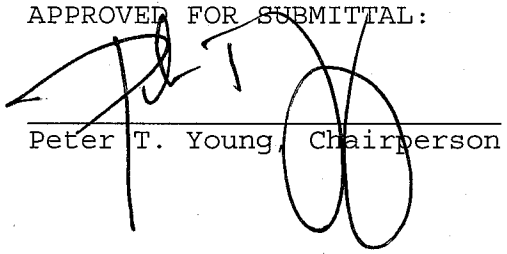
2. Rescind its forfeiture of General lease No. S-3856 approved at its meeting of September 8, 2006, agenda item D-12 if the Diversified Agricultural/Business Plan is deemed to be satisfactory and a cleanup and removal of all items and personal property from the leasehold, inconsistent with the use restriction of diversified agriculture, is completed by the time of the Board meeting.

Respectfully Submitted,



Cecil Santos
Oahu District Land Agent

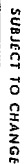
APPROVED FOR SUBMITTAL:



Peter T. Young, Chairperson

BY: HI C WIK Nov 1956

WAIMANALO FARM LOTS, WAIMANALO, KOOLAUPOKO, OAHU



CONTAINING	PARTS
SCALE 1 IN. =	AS NOTED

EXHIBIT "A"

B-12
AMENDED

STATE OF HAWAII
DEPARTMENT OF LAND AND NATURAL RESOURCES
Land Division
Honolulu, Hawaii 96813

September 8, 2006

Board of Land and Natural Resources
State of Hawaii
Honolulu, Hawaii

Oahu

Forfeiture of General Lease No. S-3856, Hemaloto Alatini and
Leona Alatini, husband and wife, Lessee, Waimanalo,
Koolaupoko, Oahu, Tax Map Key:4-1-024:023.

PURPOSE:

Forfeiture of General Lease No. S-3856, Hemaloto Alatini and
Leona Alatini, Lessee.

LEGAL REFERENCE:

Section 171-39, Hawaii Revised Statutes, as amended.

LOCATION:

Portion of Government lands of Waimanalo situated at Koolaupoko,
Oahu identified by Tax Map Key: 4-1-024:023, as shown on the
attached map labeled Exhibit "A".

AREA:

9.470 acres, more or less.

TRUST LAND STATUS:

Section 5(B) lands of the Hawaii Admission Act

DHHL 30% entitlement lands pursuant to the Hawaii State
Constitution: YES _____ NO X

CHARACTER OF USE:

Diversified Agriculture, which shall mean the cultivation of
truck, orchard, flower and nursery crops and shall not include or
embrace the cultivation of grasses or forage crops except as
"cover crops" and then only for the short periods between crops
consistent with good diversified crop practices; and provided
further, that nothing in this paragraph shall be construed as
intending to prohibit the Lessee and his employees from

as Amended
APPROVED BY THE BOARD OF
LAND AND NATURAL RESOURCES
AT ITS MEETING HELD ON
September 8, 2006

D-12

maintaining a home garden and keeping chickens or other food and/or pleasure animals (excepting swine) for his own use and not for sale to others.

TERM OF LEASE:

55 years, commencing on August 10, 1964 and expiring on August 9, 2019.

ANNUAL RENTAL:

\$ 9,200.00 in annual payments.

REMARKS:

In response to a complaint received by this office, staff inspected the property on April 4, 2006 and discovered that it was used for a tree trimming and landscaping company operation as shown by the enclosed photos labeled Exhibits "B", and "C". There were a total of 12 tree service trucks and equipment. There were tree trimming boom trucks, hauling trucks and tree cutting equipment with the name Nilasoni Landscape, Inc on the doors of the trucks as shown in the attached photos. The lot was clearly used as a baseyard for Nilasoni Landscape, Inc.

The lot was also littered with piles of tree cuttings, tree trunk sections, derelict trucks and other equipment and piles of concrete rubble as shown by the attached photos labeled Exhibits "D", "E", and "F". The lot was also used for raising swine as shown of Exhibit "G".

Pursuant to the authority granted the Chairperson by the Board of Land and Natural Resources at its meeting of January 11, 1980 and the breach provision contained in General Lease S-3856, Hemaloto Alatini and Leona Alatini, Lessee, was served a Notice of Default, attached as Exhibit "H", by certified mail, dated April 26, 2006, and the defaults are summarized as follows:

1. Failure to provide a profit and loss statement pursuant to Condition 5 of the Extension of General Lease 3856, dated November 16, 1988.
2. Failure to obtain prior approval from the Board for an assignment and sublease which is a violation of Condition 21 of General Lease 3856, "Assignment, etc".

3. Operating a base yard for tree trimming and landscaping company and keeping swine on the property which is a violation of Condition 18 of General Lease 3856, "Character of Use".
4. Failure to keep the property in a clean and sanitary manner which is a violation of Condition 23 of General Lease 3856, "Sanitation etc.".

Said Notice of Default, accepted by the Lessee on April 28, 2006, offered the Lessee a ninety-day cure period to correct the default. This cure period expired on July 28, 2006. As of September 8, 2006, this breach has not been cured.

The current status of lease compliance items is as follows:

RENT: The Lessee is current with all rent obligations.

INSURANCE: The Lessee has posted the required liability insurance policy.

PERFORMANCE BOND:

The Lessee had posted the required performance bond secured from First Insurance Company of Hawaii, (First Insurance), with Bond No. HS 52-58641. On January 31, 2006, it was renewed for another year.

CONSERVATION PLAN:

The Lessee has not submitted an up-dated conservation plan.

At a meeting with Mrs. Alatini on June 7, 2006, staff clearly explained that she had to remove Nilasoni Landscape Inc. from the lot. This tree trimming and landscaping company could not use the leasehold for a base yard. They clearly had to remove all of their trucks and equipment from the lot before July 28, 2006. Staff explained to Mrs. Alatini that she had to clean up the site. She had to remove all of the derelict equipment and vehicles, all of the tree stumps, all of the tree cuttings and the concrete rubble. Staff also explained that she could not raise swine on the leasehold. Staff clearly explained that Mr. and Mrs. Alatini needed to cure all of the deficiencies cited in the Notice of Default before July 28, 2006.

On July 28, 2006, the 90 day period for solving the problems ended and staff returned to the site on August 15, 2006 for another inspection. Staff found that except for removing some of the swine, nothing had been done to resolve the Notice of Default issued to Mr. and Mrs. Alatini on April 28, 2006.

September 8, 2006

Twelve trucks and equipment from Nilasoni Landscape, Inc. were parked there shown on Exhibit "1". The lot was littered with the same piles of tree stumps, tree cuttings, derelict equipment, and concrete rubble shown as Exhibit "2". Also, swine were still on the site as shown on Exhibit "3".

Based on our recent inspection of August 15, 2006, where staff found that almost nothing was done to cure the lease default, staff respectfully requests that General lease No. S-3856 be terminated effective September 8, 2006.

Staff requests that all of the vehicles and equipment used by the lessee for diversified agriculture be allowed to remain on the lot. All equipment and vehicles not used for diversified agriculture shall be removed from the lot at the Lessee's expense. Staff also requests that the lot be cleaned at the Lessee's expense by removing the following:

1. All of the trucks and equipment owned or operated by Landscape, Inc. and any other tree trimming equipment not used in conducting diversified agriculture on the leasehold.
2. All unused, and abandoned tree trimming equipment and all other abandoned vehicles and equipment.
3. All piles of cut tree stumps, tree branches, rubbish piles, discarded lumber, wooden pallets, and discarded equipment.
4. All piles of excavated concrete blocks and discarded construction material.
5. All swine and swine pens.

RECOMMENDATION: That the Board:

1. Authorize the cancellation of General Lease No. S-3856 in the manner specified by law;
2. Authorize the retention of all sums heretofore paid or pledged under General Lease No. S-3856 as liquidated damages;
3. Terminate the lease and all rights of Lessee and all obligations of the Lessor effective as of September 8, 2006, provided that any and all obligations of the Lessee which have accrued up to said effective date or which are stated

in the lease and all obligations of the Lessee cited in the Condition No. 4 below in this Recommendation Section shall survive termination and shall endure past such termination date until duly fulfilled, and further provided that Lessor reserves all other rights and claims allowed by law;

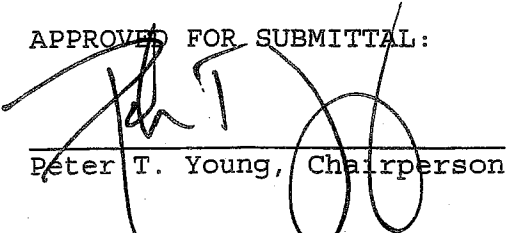
4. Require the lessees to remove from the leasehold, at their own expense, all of the following:
 1. All of the trucks and equipment owned or operated by Nilasoni Landscape, Inc. and any other tree trimming equipment not used in conducting diversified agriculture on the leasehold.
 2. All unused, and abandoned tree trimming equipment and all other abandoned vehicles and equipment.
 3. All piles of cut tree stumps, tree branches, discarded lumber, discarded wooden pallets, discarded equipment, discarded material, and rubbish.
 4. All piles of excavated concrete blocks and discarded construction material.
 5. All swine and swine pens.
5. Authorize the Department of the Attorney General, the Department of Land and Natural Resources, or their agents to collect all monies due the State of Hawaii under General Lease No. S-3856 and enforce Condition No. 4 stated above in the Recommendation Section, and to pursue all other rights and remedies as appropriate.

Respectfully Submitted,



Cecil Santos
Oahu District Land Agent

APPROVED FOR SUBMITTAL:


Peter T. Young, Chairperson

Approved As Amended. The Land Board approved staff's recommendation for forfeiture, but delayed implementation of the lease forfeiture until this matter is again brought before the Land Board at its meeting on October 13, 2006. Additionally, the Lessee is required to: (a) provide staff by October 2, 2006, a Diversified Agricultural?Business Plan for the 9.470 acres of leased lands. and (b) complete cleanup and removal.

of all items and personal property inconsistent with the use restriction
of diversified agriculture.

- ...
12. **Forfeiture of General Lease No. S-3856, Hemaloto Alatini and Leona Alatini, husband and wife, Lessee, Waimanalo, Koolaupoko, Oahu, TMK: 4-1-024:023 (ODLO/Cecil)**

Approved As Amended. The Land Board approved staff's recommendation for forfeiture, but delayed implementation of the lease forfeiture until this matter is again brought before the Land Board at its meeting on October 13, 2006.

Additionally, the Lessee is required to: (a) provide staff by October 2, 2006, a Diversified Agricultural/Business Plan for the 9.470 acres of leased lands; and (b) complete cleanup and removal of all items and personal property inconsistent with the use restriction of diversified agriculture.

BY: NI 6 PAK Nov. 1956

MAIMANALO FARMS LOTS, MAIMANALO, KOOLAUPOKO, OAHU



DEPARTMENT OF THE TAX COMMISSIONER
TAXATION MAPS BUREAU
HONOLULU, HAWAII

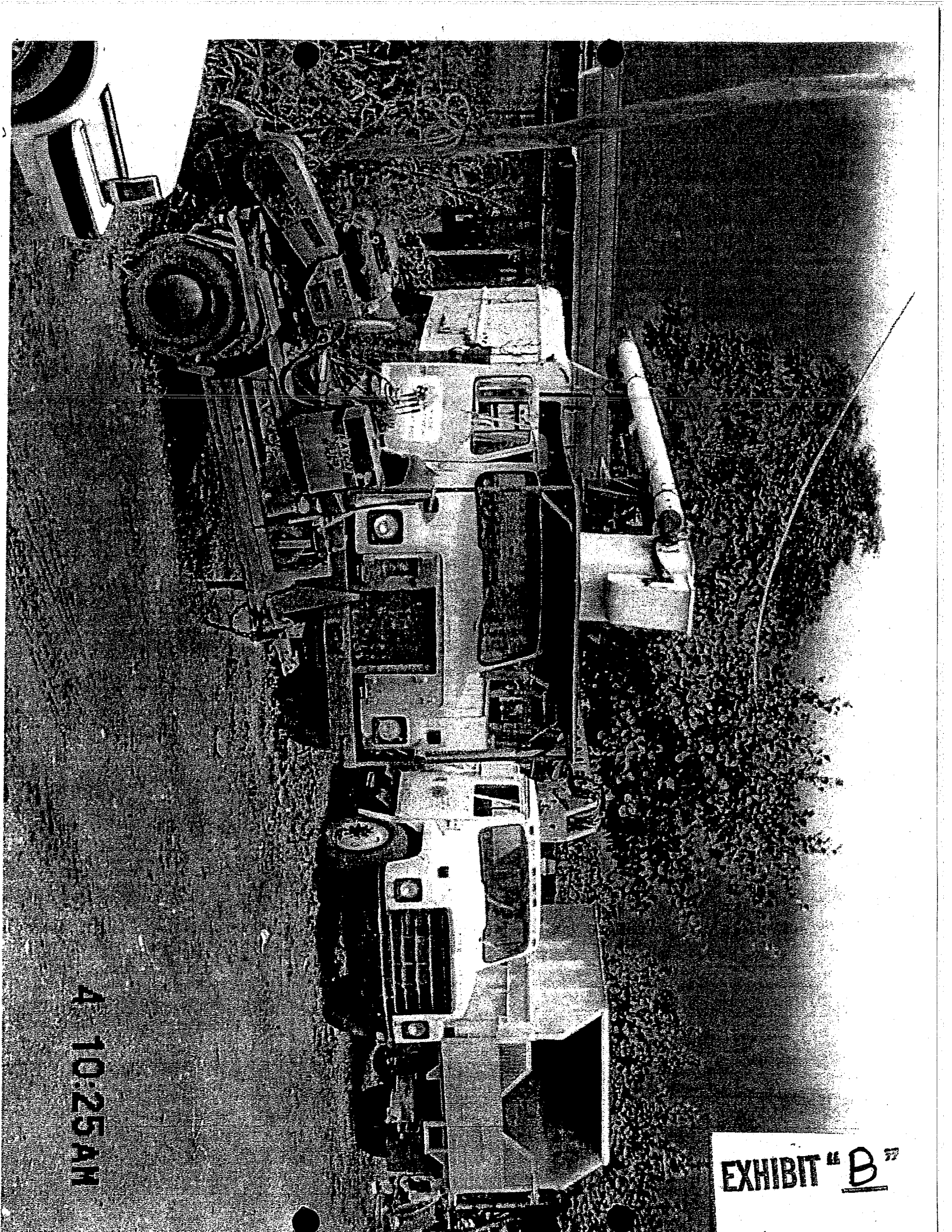
TAX MAP

FIRST		ORIGIN	
ZONE	SEC.	PLAT	
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CONTAINING AS NOTED PARCELS
SCALE: 1 IN. =

EXHIBIT "B"

4 10:25 AM



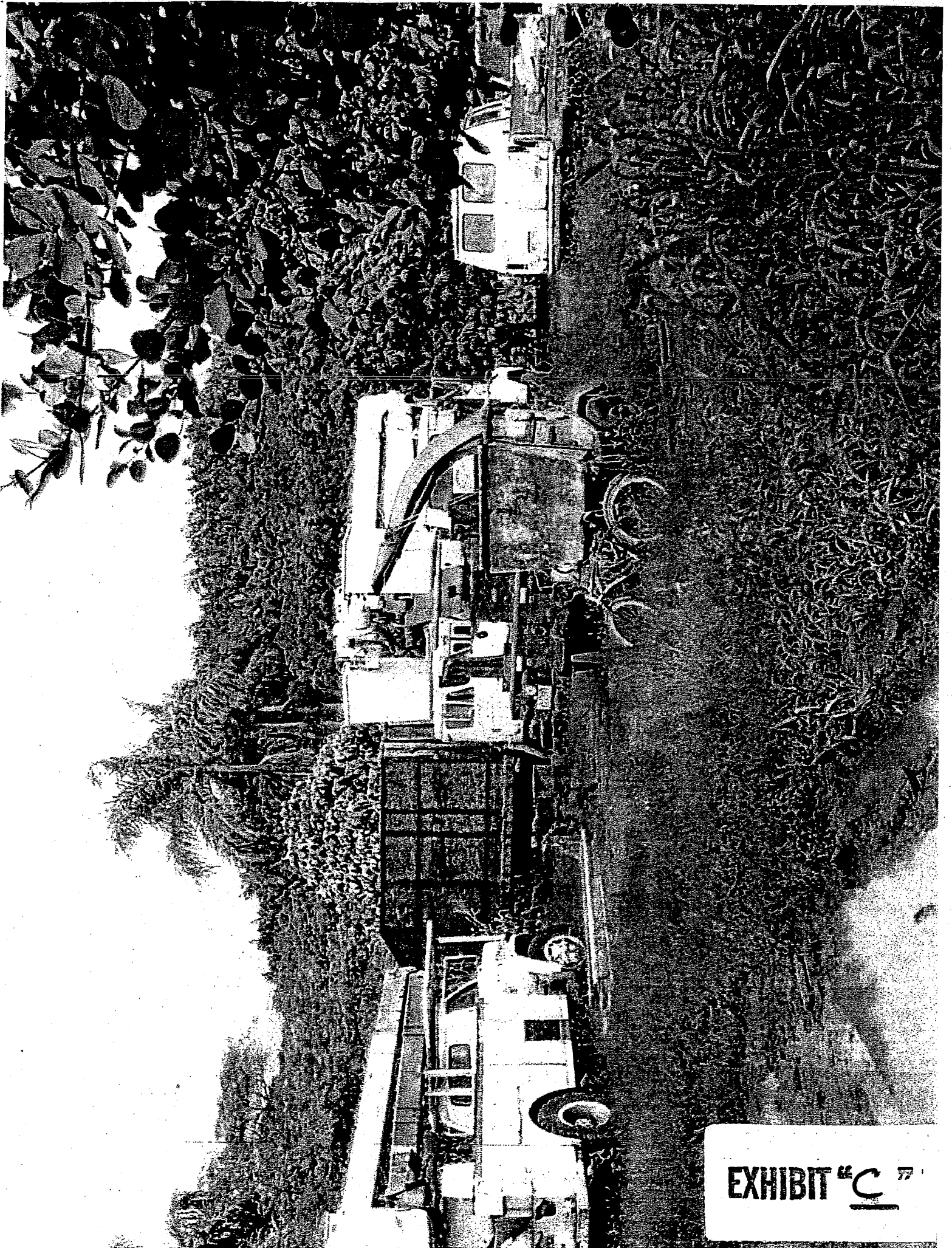


EXHIBIT "C" 77



EXHIBIT D



EXHIBIT "E"

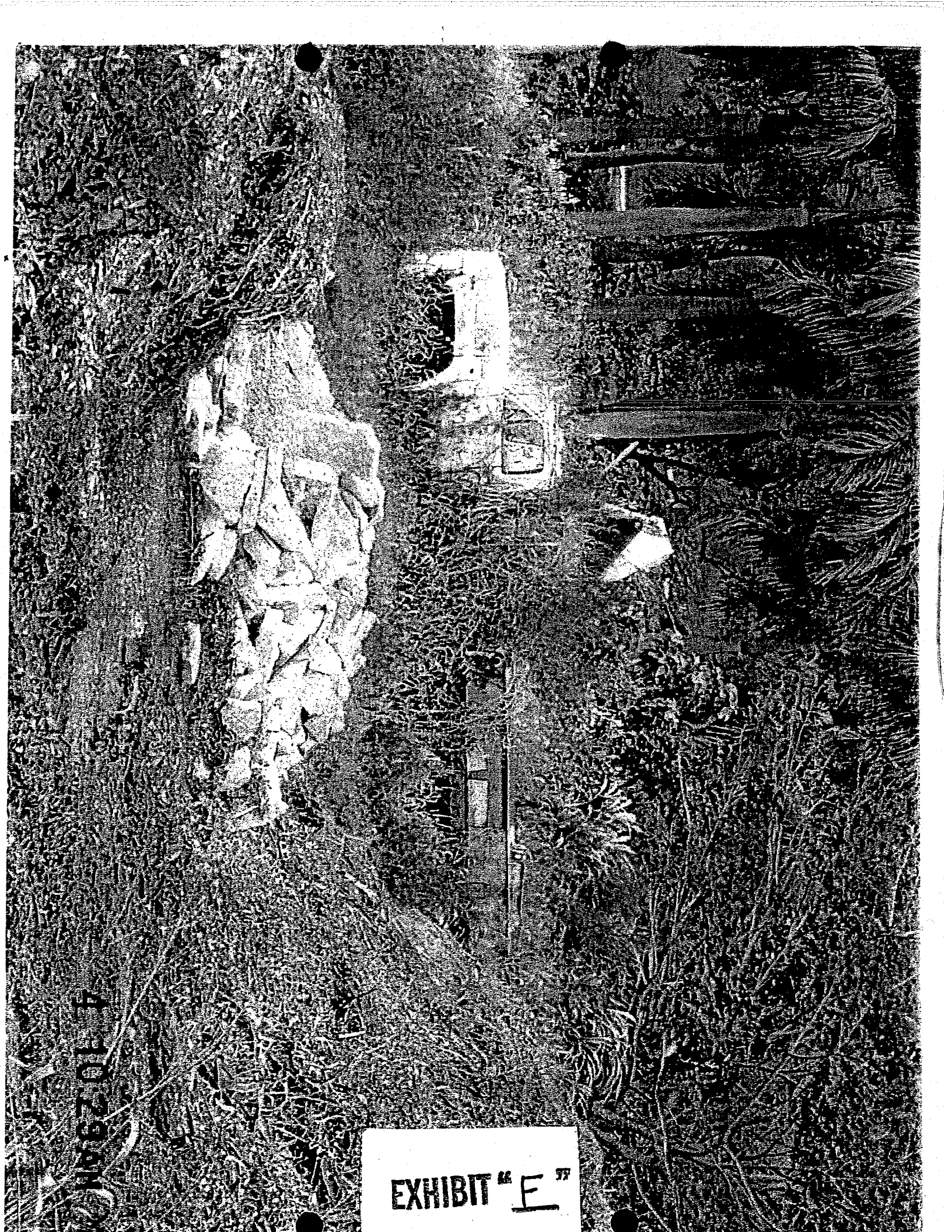


EXHIBIT "E" 37

4-10-28 AM

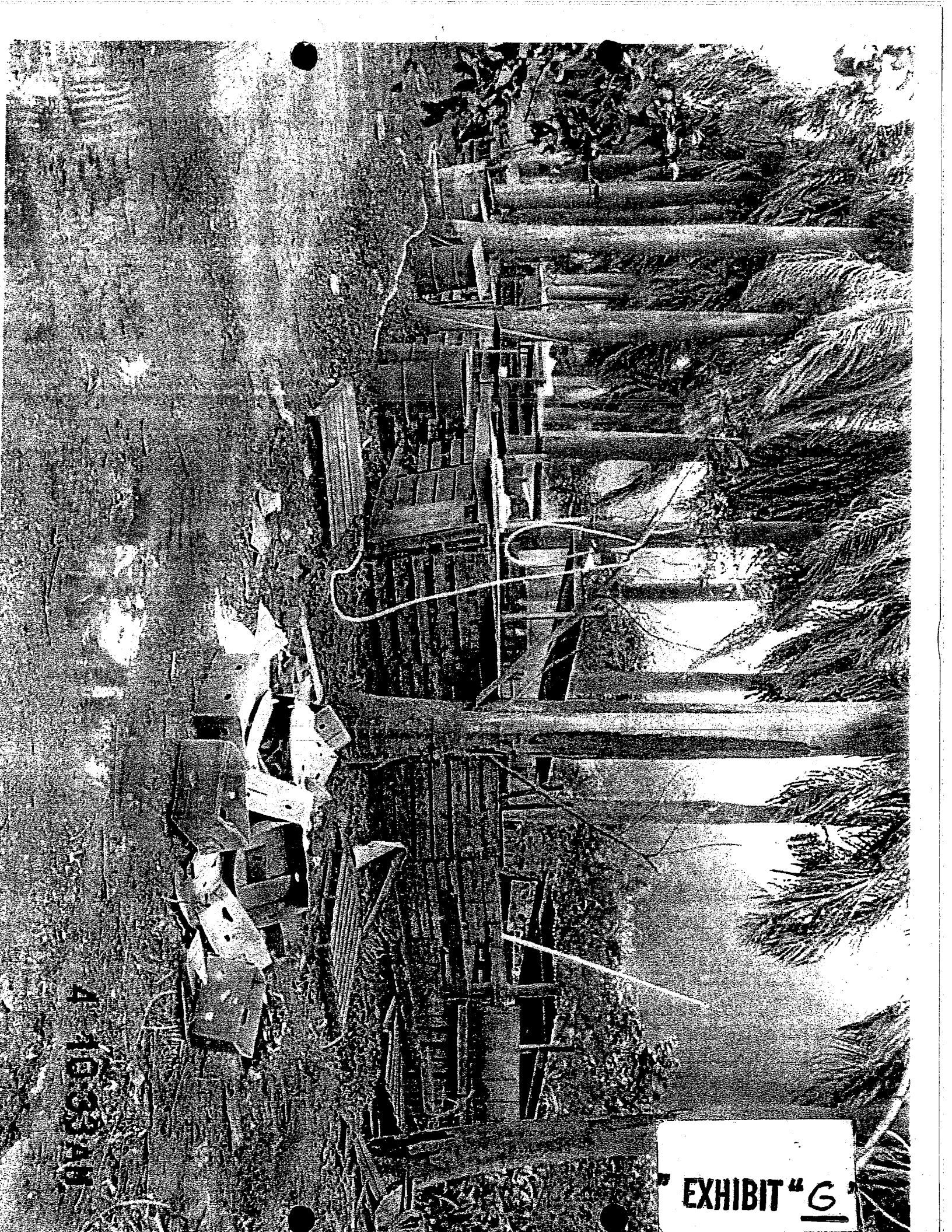
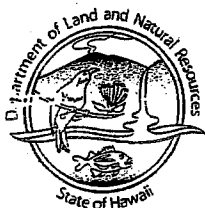


EXHIBIT "G"

4 10-33-48

LINDA LINGLE
GOVERNOR OF HAWAII



STATE OF HAWAII
DEPARTMENT OF LAND AND NATURAL RESOURCES

POST OFFICE BOX 621
HONOLULU, HAWAII 96809

PETER T. YOUNG
CHAIRPERSON
BOARD OF LAND AND NATURAL RESOURCES
COMMISSION ON WATER RESOURCE MANAGEMENT

ROBERT K. MASUDA
DEPUTY DIRECTOR

DEAN NAKANO
ACTING DEPUTY DIRECTOR - WATER

AQUATIC RESOURCES
BOATING AND OCEAN RECREATION
BUREAU OF CONVEYANCES
COMMISSION ON WATER RESOURCE MANAGEMENT
CONSERVATION AND COASTAL LANDS
CONSERVATION AND RESOURCES ENFORCEMENT
ENGINEERING
FORESTRY AND WILDLIFE
HISTORIC PRESERVATION
KAHOOLAWE ISLAND RESERVE COMMISSION
LAND
STATE PARKS

April 26, 2006

CERTIFIED MAIL:

7003 3110 0005 7373 5128

Hemaloto Alatini
Leona Alatini
1680 Noelani Street
Pearl City, Hawaii 96782

Dear Mr. and Mrs. Alatini:

NOTICE OF DEFAULT

Pursuant to the authority granted me by the Board of Land and Natural Resources at its meeting of January 11, 1980, and the breach provision contained in General Lease S-3856, you are hereby served a Notice of Default on said lease for failure to do the following:

1. Item 5, page 4 of Extension of General lease No. S-3856 states the following: "The Lessee shall derive its principal income from the diversified agricultural activities conducted on the premises, and shall furnish the Lessor within sixty (60) days following the end of each lease year with a Certified Statement prepared by a Certified Public Accountant showing the profits or losses realized from farming activities conducted on the premises".

No annual profit and loss statement has been provided to Lessor for the past five years.

You are hereby given ninety (90) days from the date of receipt of this letter to cure the above-described breach.

2. Item 21, Assignments, etc., page 9 of General Lease No S-3856 states the following: "That the Lessee shall not transfer or assign any right, privilege or authority herein given or in any manner transfer or assign this lease for the whole or any part of the term hereof, except by way of devise, bequest or intestate succession; provided, that with the prior

EXHIBIT "H"

written consent of the Lessor, the assignment and transfer of this lease or unit thereof may be made where any one of the following conditions is applicable: (1) it contains the personal residence of the Lessee, (2) the Lessee becomes mentally or physically disabled, or (3) extreme economic hardship is demonstrated to the satisfaction of the Lessor; provided, however, that the Lessor may adopt or modify or waive any part or all of restriction to the extent necessary to qualify the lease for mortgage lending or guaranty purposes with the Federal Housing Administration, Small Business Administration, Farmers Home Administration, and their respective successors and assigns".

It appears the property has been assigned or subleased without the prior written consent of the Lessor. All of the Nilasoni Landscape Inc. trucks must be removed from the leased premises.

You are hereby given ninety (90) days from the date of receipt of this letter to cure the above-described breach.

3. Item 18, Character of Use provision, page 8, and page 21, General Lease No. S-3856 states the following: "Character of use. That the lessee shall use the demised premises for the specific agricultural use for which this lease was sold, as such use is hereinafter defined in Paragraph 42 (Definitions) of this lease, provided, further, that nothing in this paragraph shall be construed as intending to prohibit the lessee and his employees from maintaining a home garden and keeping chickens or other food and/or pleasure animals (excepting swine) for his own use and not for sale to others."

Item 42 (a) states the following: "Agriculture, diversified" shall mean the cultivation of truck, orchard, flower and nursery crops and shall not include or embrace the cultivation of grasses or forage crops except as "cover crops" and then only for the short periods between crops consistent with good diversified crop practices"

Nilasoni Landscape, Inc. is using the premises for the operation of a baseyard. The property must not be used as a baseyard, in violation of the Character of Use provision.

The premises are used for keeping swine. You may not keep swine on the leased premises.

You are hereby given ninety (90) days from the date of receipt of this letter to cure the above-described breach.

4. Item 23, page 10, General Lease No. S-3856, states the following: "Sanitation, etc. That the Lessee shall, during the whole of the term of this lease, maintain the demised premises in a sanitary and orderly condition satisfactory to the Lessor and in conformity with the Public Health Regulations of the Department of Health and with all applicable laws, ordinances, rules and regulations of the federal government, State and local governments, with special reference to but not limited to the regulations of the State Department of Agriculture".

The premises are being used for disposing concrete rubble, cut tree branches, and tree trunks. This material must be removed from the leased premises and properly disposed of.

You are hereby given ninety (90) days from the date of receipt of this letter to cure the above-described breach.

Your failure to act on the above matter will result in the following:

1. Cancellation of General Lease S-3856.
2. Retention of all sums heretofore paid under General Lease S-3856 as liquidated damages.
3. Termination of all your rights and obligations under General Lease No. S-3856.
4. Initiation of legal action to collect the delinquent lease rental owing the State of Hawaii under General Lease S-3856.
5. Forfeiture of your lease performance bond.

NOD/Alatini

page 4

We therefore urge your fullest cooperation. Should you have any questions, please contact our Oahu District Land Branch at (808) 587-0433.

Sincerely,



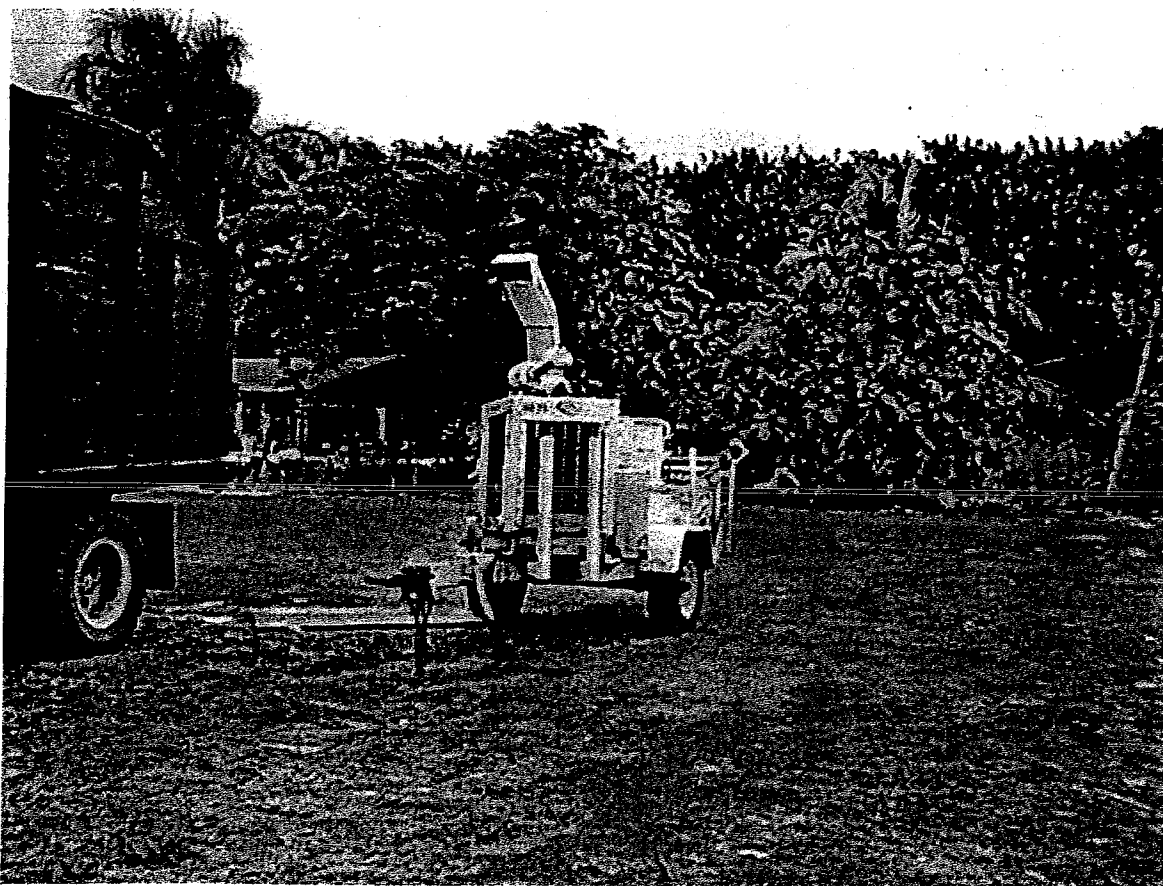
Peter T. Young
Chairperson

c: Land Board Member
Central Office
Fiscal Office
Bond Holder



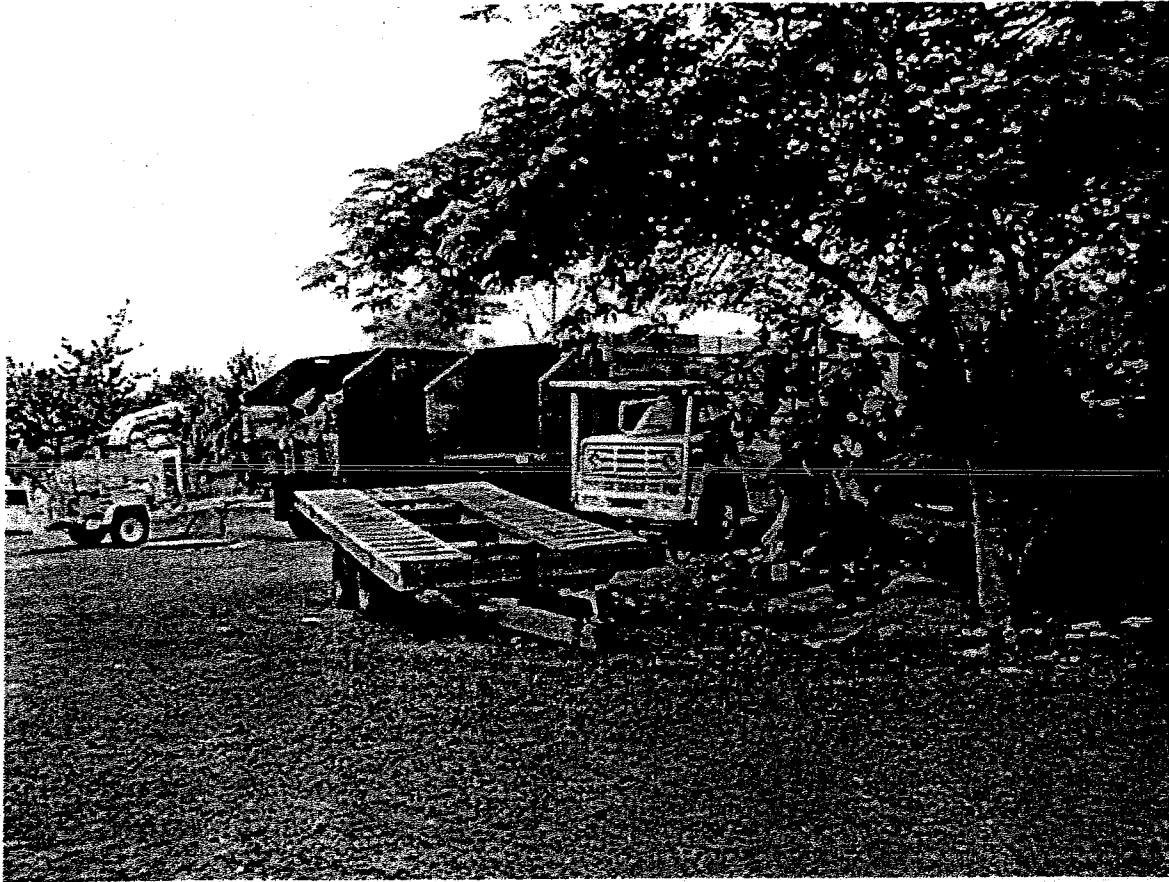
8/15/06 3:00 pm

EXHIBIT "1"



8/15/06 3:00 pm

EXHIBIT " 1 "



8/15/06 3:00 pm

EXHIBIT " 1 "



8/15/06 3:00 pm

EXHIBIT " 1 "



8/15/06 3:00 pm

EXHIBIT "2"



8/15/06 3:00 pm

EXHIBIT "2"³⁷



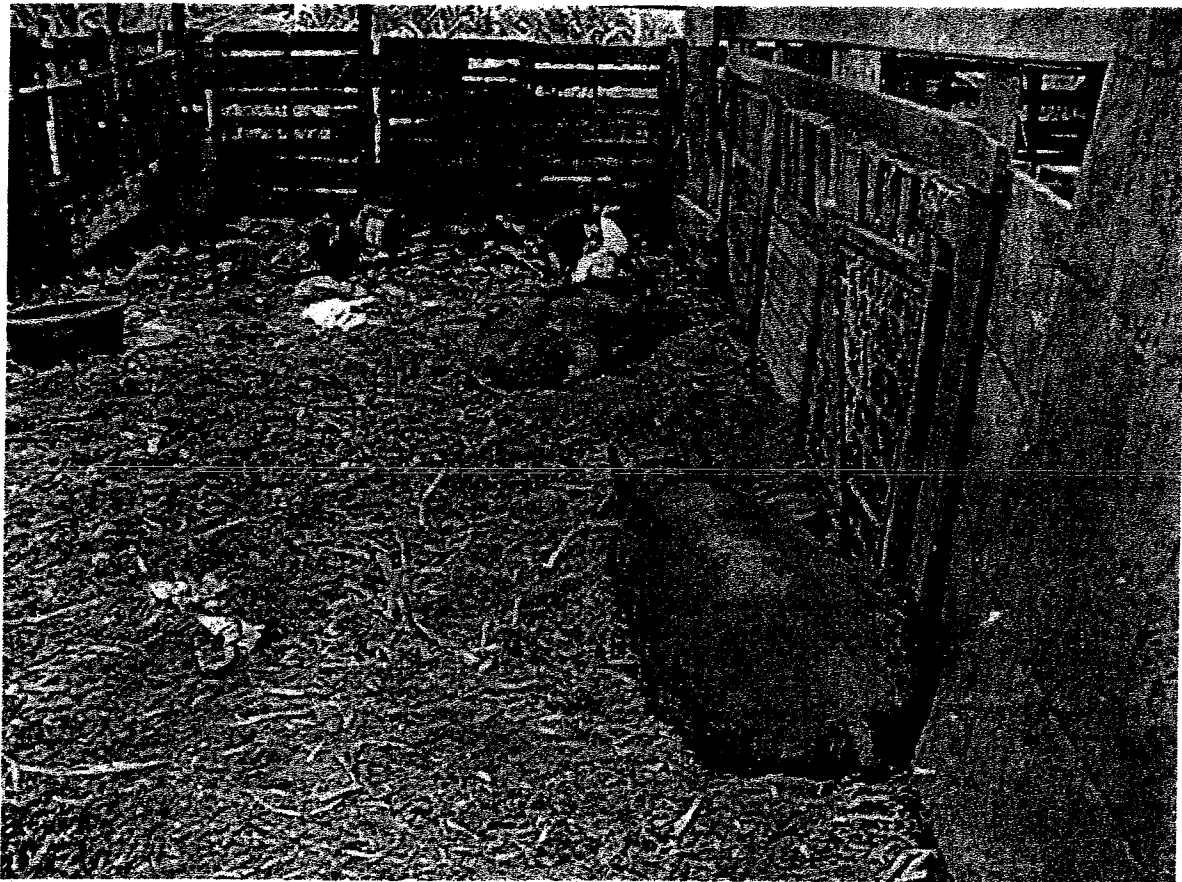
8/15/06 3:00 pm

EXHIBIT "2"



8/15/06 3:00 pm

EXHIBIT "2"



8/15/06 3:00 pm

EXHIBIT "3"

BUSINESS PLAN
FOR
ALATINI FARM
41-668 Kakaina Street
Waimanalo, Hawaii

Prepared by:

Mr. and Mrs. Hemaloto Alatini
1680 Noelani Street
Pearl City, Hawaii 96782
808-456-9072
walatini@aol.com

EXHIBIT "B"

Table of Contents

1.0	Executive Summary	1
1.1	Objectives	2
1.2	Mission	2
1.3	Keys to Success	3
2.0	Company Summary	3
2.1	Company Ownership	3
2.2	Start-up Summary	4
3.0	Products	5
4.0	Market Analysis Summary	6
4.1	Market Segmentation	7
4.2	Target Market Segment Strategy	7
4.3	Industry Analysis	8
4.3.1	Competition and Buying Patterns	8
5.0	Strategy and Implementation Summary	8
5.1	Competitive Edge	8
5.2	Marketing Strategy	9
5.3	Sales Strategy	9
5.3.1	Sales Forecast	9
6.0	Management Summary	12
6.1	Personnel Plan	12
7.0	Financial Plan	12
7.1	Start-up Funding	12
7.2	Important Assumptions	13
7.3	Break-even Analysis	13
7.4	Projected Profit and Loss	14
7.5	Projected Cash Flow	17
7.6	Projected Balance Sheet	19
7.7	Business Ratios	19
	Appendix	21

ALATINI FARM

1.0 Executive Summary

ALATINI FARM

Located in Waimanalo, ALATINI FARM will provide the following products:

- Giant Taro
- Dryland Taro
- Cassava
- Plantain
- Breadfruit
- Variety of Palm Trees

Introduction

ALATINI FARM, (AF), will offer fresh readily available products at affordable prices to an underserved market, the Polynesian communities. The core products offered are what Polynesians considered their traditional staple food.

The Company

ALATINI FARM's mission is to provide consumers with fresh produce at affordable prices at their convenience.

ALATINI FARM is a fully owned business by Hemaloto and Leona Alatini; Mr. Alatini, an expert in traditional farming and Leona Alatini with an extensive background in business management, particularly accounting and administration.

The Products

A general description of ALATINI FARM would be Root Crops (Giant Taro, DryLand Taro, and Cassava) with Plantain and Breadfruit. In addition to core products, AF will be planting varieties of palms to increase revenue.

The Market

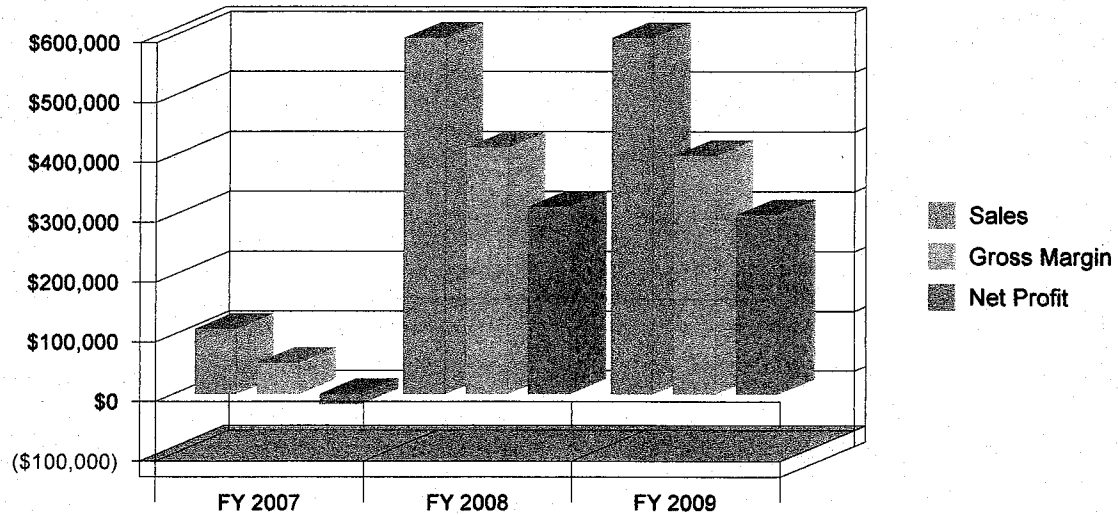
There is an existing market in the States of Hawaii for these products which when offered at an affordable price, both sales and market share will increase. With a superior product at an affordable price for consumers convenience, increase in the market share will be immediate. The company will focus on the local markets, Polynesian communities, and the outerislands, with the assumption that it will expand to the Mainland in the future.

Financial path to Success

With superior products, ALATINI FARM expects its profits to increase. Revenues are projected to increase by over 50% over the next next three years, from \$109,000 to \$596,000. We expect net profits will increase to \$303,000 by year three.

ALATINI FARM

Highlights



1.1 Objectives

The objectives over the next three years for the Alatini Farm (AF) are:

- Achieve sales revenue of approximately \$500,000.00 by year three.
- Utilizing every square foot of the property by year three
- Capitalize on the demands for authentic Polynesian food supplemented with palm trees nursery.
- Increase yield per acre to achieve within the economy of scale

1.2 Mission

The mission for the Alatini Farm (AF), is to provide underserve Polynesian population in Hawaii with their traditional food staple (giant taro, dry land taro, casava and plantain (banana family) and breadfruit) locally. Currently 90 per cent of these food crops are imported from Samoa, Tonga and Fiji. In the past 12 months the shipping/freight (land, sea and air) fees have increased drastically. These high cost of doing business has been passed on to the consumers, whom are already burdened with cost of available products. Since the University of Hawaii unpatterned her hybrid dry land taro, AF sees an opportunity to use its State lease land to farm those high yield taro brands for its market. In addition, AF will increase revenue by planting a variety palm trees along the property line and road ways for the landscape industry.

ALATINI FARM

1.3 Keys to Success

Local suppliers for the Polynesian food market has been restricted to those that can afford the high cost of imported products or the inferior imitation from Central America. AF will focus on the UH hybrid taro, giant taro, cassava, plantain and the breadfruit for its front assault on this underserving food market. The Waimanalo fertile soil is ideal for these sort of farming and AF is expected to be profitable in the its first year of operation. AF has identified the following key elements to success.

- Become the local supplier of Polynesian food in Hawaii
- Focus on marketing its products directly to the consumers
- Aggressively pursue cost saving methods
- Concentration on post harvest care to enhance premium quality at mass production level
- Offering quality products at affordable cost to the end users
- Capitalize on AF's principles contacts within the Polynesian communities

2.0 Company Summary

Alatini Farm is a start-up venture for Mr. Hemaloto Alatini and Leona Alatini (principles). The principles of AF have been experimenting with the giant taro, dry land taro and breadfruit for the last 5 years with marginal success but with the cost of transportation sky rocketing AF siege the opportunity to expand from merely experimental phase to commercial farming. We have been actively involved in the Tongan and the Samoan communities and for the last 17 years and we have an inside perspective of what the Polynesian community needs. AF will be utilizing all 9 acres of it principles' State lease property to produce different types of taro, cassava, plantian, and breadfruit for the local market.

Further AF will plant coconut trees, manila palms and royal palms for the landscape industry to supplement its revenue.

2.1 Company Ownership

Hemaloto Alatini, Farmer and Marketing local community expert

Leona Alatini, Owner of Nilasoni Landscape Inc., Local Youth President

ALATINI FARM

2.2 Start-up Summary

Our start-up costs will be \$30,000 which includes [\$10,000] for the acquisition of farming equipment.

The remainder of the funds will be used for:

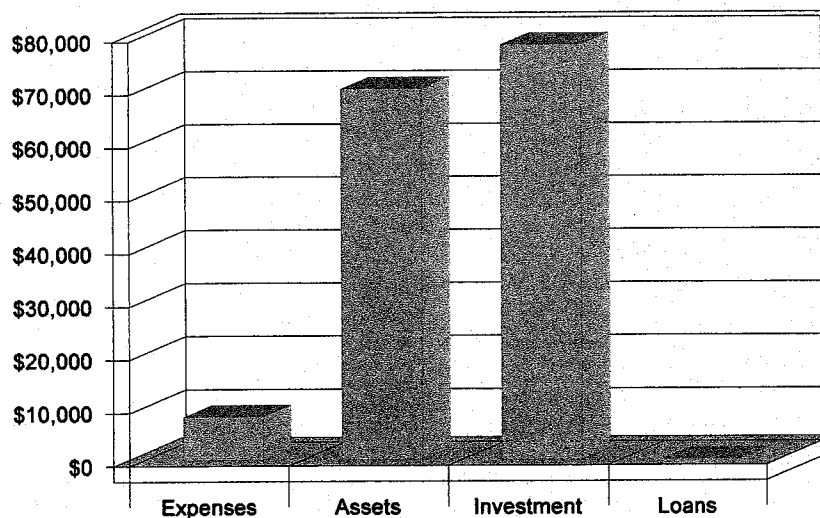
- Initial Inventory: \$5,000 (seedlings and cuts)
- Initial Capitalization: \$14,000
- Legal, Insurance & Misc: \$1,000

The start-up costs are to be financed by the direct owner investment. The details are included in the following table and chart.

Table: Start-up

Start-up	
Requirements	
Start-up Expenses	
Seedlings and Cuts	\$5,000
Legal and Insurance	\$1,000
Lease/Mortgage	\$1,200
Other	\$1,000
Total Start-up Expenses	\$8,200
Start-up Assets	
Cash Required	\$30,000
Start-up Inventory	\$5,000
Other Current Assets	\$25,000
Long-term Assets	\$10,000
Total Assets	\$70,000
Total Requirements	\$78,200

Start-up



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3.0 Products

AF is planning to grow four types of crops, giant taro, dryland taro, and cassava and plantain (banana family). AF will also harvest existing breadfruit trees (30 five year old breadfruit trees). AF will also plant a variety of palm trees including royal palms, coconuts, and manila palms for the landscaping industry.

- **Giant Taro (*Alocasia*) or Kape:** an unique table food in high demand for Samoan, Tongan and Fijian, however, they are prone to bruises and injuries from handlings and often rot very fast. The importers seldom import this type of taro for the reasons mentioned above. *Alocasia* corms can be extremely large, up to three feet long and weighing more than 50 lbs. They are not commonly eaten because they contain calcium oxalate crystals that cause considerable irritation when eaten. *Alocasia* are eaten only after prolonged cooking in order to breakdown the crystals. *A. macrorrhiza* is the only species of the genus cultivated in the Pacific. In the Pacific *Alocasia* spp. is usually sold by the piece because of its size. *Alocasia* is more popular with Tongans and Samoans and the Fijians than with other Pacific Islanders. It is important to the Tongans for ceremonial use in feasts and to accompany the giving of pigs. Its size makes it ideal for cooking *umu*-style for Sunday family feast.
- **Dryland Taro (*talo tonga*) *Colocasia*.** The University of Hawaii patented three types of Taro that are disease resistance and yield far more per acre than the regular taro. On June 22, 2006, the University of Hawaii kindly unpatented those high yield taro brands making them available for everyone to benefit from their gift to the world. "The University of Hawaii announced Tuesday that it has officially dropped patents on three varieties of taro. A celebratory ceremony was held at the University of Hawaii's Hawaiian Studies campus in answer to the reprieve." (Ka Leo O Hawaii) AF will take advantage of this Mana by setting aside some funds to buy keikis from the UH Farm program in Waimanalo.

Pa'akala U.S. Patent No. PP12,342 Granted January 8, 2002

Pa'lehua U.S. Patent No. PP12,361 Granted January 22, 2002

Pauakea U.S. Patent No. PP12,772 Granted July 16, 200

Colocasia esculenta is the most widely cultivated species out of the four taro genera because, essentially, it does not require a large area and planting material is relatively easy to obtain and maintain. *Colocasia* corms are consumed after boiling and baking. In the Pacific, the use of the earthen oven *umu* to bake taro is an integral part of family and communal life: in Apia, the capital of Samoa, the air is heavy with smoke first thing on a Sunday morning as *umus* are fired up to be opened after church for the Sunday feast. The tradition of the Sunday feast has been carried to New Zealand and Australia by Samoans and Tongans and has a great deal to do with the price sensitivities in the two countries, at least amongst Islander. *Colocasia* has the oxalic acid but not in as great concentrations as *Alocasia* and *Xanthosoma*. The presence of the acid leaves a slight stinging sensation in the mouth and throat. Cooking removes the acid. Experiencing such a sensation reflects poorly on the cook. *Colocasia* leaves/blades are eaten after being baked in coconut cream. This is called *ru kau* in Cook Islands, *rourou* in Fiji, *lululu* in Tonga, *palusami* in Samoa, and *lu* in Niue. 16 *Poi* is also produced in Tahiti and in the Cook Island (where it is called *poi* and *poke*, respectively.)

ALATINI FARM

- **Cassava or Tapioca (*Manioke*)** Cassava has a very short shelf life and unlike taro who has a shelf of more than two months cassava has only one week of shelf live but it is one of the most important root crops in the South Pacific islands. The product comes frozen in 50 lbs sacks that won't fit in most refrigerators and prohited expensive because it must stay frozen until it puts in the pot and it'll go bad if it is slidely defrosted. It takes a lot of energy and money to import this particular product to the US. It is not only a staple food on the table but it is widely use in many of their recipes as well from making bread pudding to underground baked bread. AF is going to dedicate an acre of land for this root crop and will offer fresh *Manioke* the same day of harvest to the consumers. According to the UN FAO, the world produces 168 Million Metric tons of cassava annually yet Hawaii cannot produce a single ton. AF has enough seedlings to start a sizable cassava program.
- **Plantain (*Hopa*)** belongs to the banana family. The fruit is larger than the regular banana and is cooked when it is still green. The Samoans are famous for their delicious cooked green banana but it's actually green Plantain or *Hopa*. It tastes starchy like potato and great to eat with any sort of meat, fish and shellfish. AF has enough seedlings of *Hopa* now to start commercial production.
- **Breadfruit (*Ulu*)**. The principles of AF planted 30 breadfruit trees 6 years ago and they are mature enough to produce commercial quantity. Hawaii is the only place in Polynesia a Ulu tree produces fruits almost all year long. It is not seasonal like the other islands of the Pacific. This unique opportunity will add greatly to the AF bottom line. *Ulu* is notoriously short in shelf live (five days) and it is impossible to get it to the market before it fully ripe and becomes bad. AF has an unique position to serve the Hawaii Polynesian community with fresh picked breadfruit. AF will be employing the services of our two cherry pickers to pick mature fruits as demands dictated while prolonging the fruits from going bad by keeping them attach to the tree.

AF will directly market its products to the Polynesian consumers while studying the possibility of expanding its marketing efforts to the Polynesian communities in the Mainland. The FDA and Department of Quarantine have issues and concerns regarding root and fruit crops from Hawaii.

4.0 Market Analysis Summary

According to the U.S. Census Bureau in 2005, 9.1% of the Hawaiian population, approximately 116,042 people, are Polynesians excluding Permanent Residents and visitors to Hawaii. AF will focus on local markets and Polynesian communities. AF intends to extend to the Mainland Polynesian communities in the future. AF will sell the existing Breadfruit fruits to the local market and the Polynesian communities to produce immediate profit margin. AF will provide just in time products to its market and majority of AF products will be affordable and be readily available. AF motto is "Quality, timely, affordability, and efficiency"

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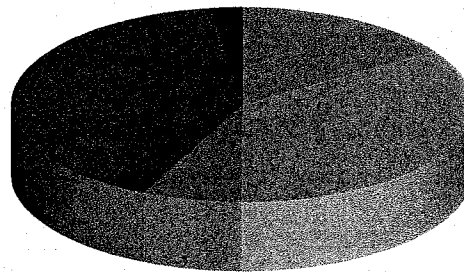
4.1 Market Segmentation

Our market segmentation scheme is fairly straightforward, and focuses on all Neighbor Island Polynesians. The information contained in our customer analysis table is taken directly from the 2005 US Census and clearly shows that our market potential in Hawaii is big.

Table: Market Analysis

Market Analysis		2006	2007	2008	2009	2010	
Potential Customers	Growth						CAGR
Tongans	2%	18,135	18,498	18,868	19,245	19,630	2.00%
Samoans	2%	40,000	40,800	41,616	42,448	43,297	2.00%
Fijians	2%	8,049	8,210	8,374	8,541	8,712	2.00%
Hawaiians	-3%	47,253	45,835	44,460	43,126	41,832	-3.00%
Other	2%	2,605	2,657	2,710	2,764	2,819	1.99%
Total	0.05%	116,042	116,000	116,028	116,124	116,290	0.05%

Market Analysis (Pie)



■ Tongans
■ Samoans
■ Fijians
■ Hawaiians
■ Other

4.2 Target Market Segment Strategy

Traditionally Polynesians are closeknit communities and we find that their word of mouth networking is our most efficient way of selling our products. We will grow our products, sell it to the local market, and let the consumers do the talking while we fulfill our commitment to providing quality products at affordable prices efficiently.

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4.3 Industry Analysis

As you may expect, we will be entering a very mature industry that is crowded with suppliers and distributors. As with any product-oriented business, it is important to maintain a competitively priced product line. The safest way to increase overall profitability will be to continuously maintain a strict quality control regiment, be inovative and sensitive to market trends, and be cost effective. It will be critical for AF to keep a few steps ahead of competition by having readily available products responsive to demand and providing on-time delivery

4.3.1 Competition and Buying Patterns

While there are a handful of importers and distributors providing similar products as ours, there is still a great deal of room for new business. Most importantly, there is room for new business that understands the need for quality products and services that are readily available at competitive prices.

In this industry, customers choose their suppliers based on available product, price, and service - though most often, it is the service that suffers most. While one supplier may offer the product at the right price, they do not provide the level of service that the customer demands. The next supplier may offer the right level of service, though their prices are too high. Often, this results with the customer purchasing most of their products through a cash and carry style wholesale/retail store --- leaving the customer with no service or support.

By positioning ourselves in the market with in-demand, quality product at competitive prices, with a consistent high level of customer service - we are confident that we will see customers and their business continue to increase.

5.0 Strategy and Implementation Summary

5.1 Competitive Edge

Produced locally, AF products will be fresh and readily available to the consumers. Products can be delivered within 24 hours to any customers within the State of Hawaii. Since AF is local, there is no long distance freight charges allowing AF to offer a low cost product to a wider market in Hawaii. Our edge can be summerized as:

- Freshly harvest produce
- 24 hours delivery
- Affordable product

ALATINI FARM

5.2 Marketing Strategy

Our marketing strategy is a simple one: satisfied customers are our best quick delivery of fresh produce at affordable prices. In addition, we will heavily advertise in local markets, Polynesian churches, schools, businesses, and communities. We will target Polynesian communities that have ties in outer islands as well as the Mainland, and they in turn will sell us by word of mouth, the best advertisement available in such communities.

5.3 Sales Strategy

We will be offering an unique solution to the high cost of the traditional food staples to the Polynesian communities in Hawaii. Sales will be targeted to local churches, associations, and large traditional functions (birthdays, weddings, and funerals). Plans to expand into the Mainland communities markets in the future.

Currently, suppliers of traditional staple food for the Polynesian community in Hawaii is limited to what is available from import and inferior products from Central America. AF will offer affordable solution in timely manner yet maintaining high quality products. AF projection for the coming years is conservative and is hoping that by offering fresh local produce products will increase demands in the future. AF is confident that it will be the case and is prepare to utilize all the principle's State lease land for expansion.

The table below outlines the sales forecast and cost of goods sold. The forecast is based on reasonable sales projections for its intended market.

5.3.1 Sales Forecast

Currently, suppliers of traditional staple food for the Polynesian community in Hawaii is limited to what is available from import and inferior products from Central America. AF will offer affordable solution in timely manner yet maintaining high quality products. AF projection for the coming years is conservative and is hoping that by offering fresh local produce products will increase demands in the future. AF is confident that it will be the case and is prepare to utilize all the principle's State lease land for expansion.

The table below outlines the sales forecast and cost of goods sold. The forecast is based on reasonable sales projections for its intended market.

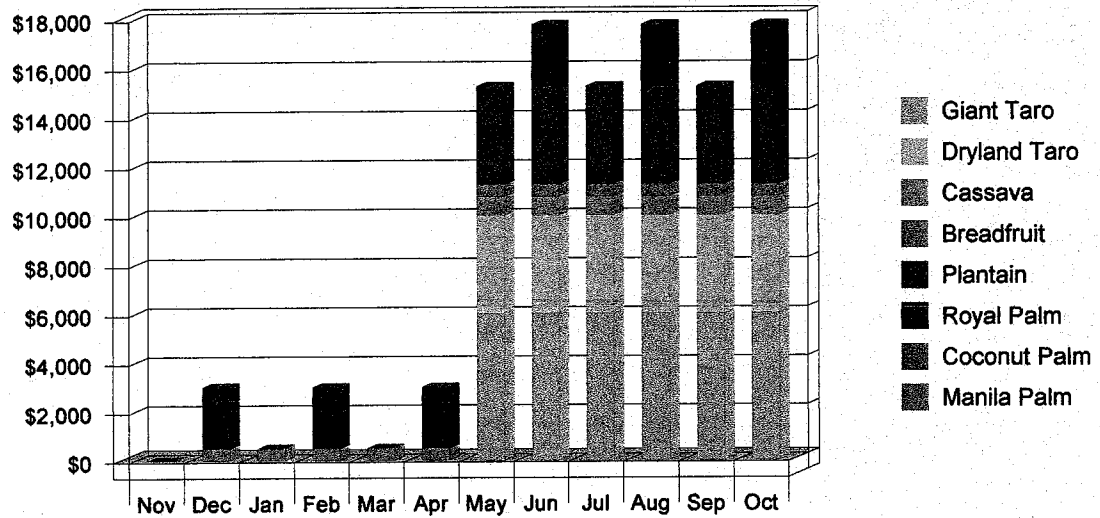
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Table: Sales Forecast

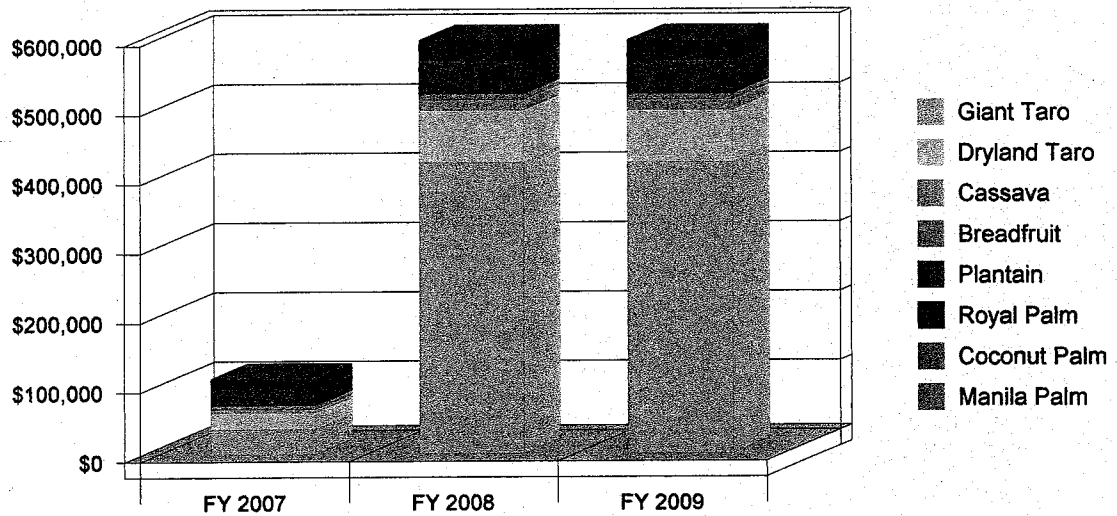
Sales Forecast	FY 2007	FY 2008	FY 2009
Unit Sales			
Giant Taro	1,200	14,000	14,000
Dryland Taro	24,000	75,000	75,000
Cassava	9,000	30,000	30,000
Breadfruit	2,750	4,000	4,000
Plantain	600	1,200	1,200
Royal Palm	6	12	12
Coconut Palm	0	0	0
Manila Palm	0	0	15,000
Total Unit Sales	37,556	124,212	139,212
Unit Prices			
Giant Taro	\$30.00	\$30.00	\$30.00
Dryland Taro	\$1.00	\$1.00	\$1.00
Cassava	\$0.50	\$0.50	\$0.50
Breadfruit	\$2.00	\$2.00	\$2.00
Plantain	\$40.00	\$40.00	\$40.00
Royal Palm	\$2,500.00	\$2,500.00	\$2,500.00
Coconut Palm	\$0.00	\$0.00	\$0.00
Manila Palm	\$0.00	\$0.00	\$0.00
Sales			
Giant Taro	\$36,000	\$420,000	\$420,000
Dryland Taro	\$24,000	\$75,000	\$75,000
Cassava	\$4,500	\$15,000	\$15,000
Breadfruit	\$5,500	\$8,000	\$8,000
Plantain	\$24,000	\$48,000	\$48,000
Royal Palm	\$15,000	\$30,000	\$30,000
Coconut Palm	\$0	\$0	\$0
Manila Palm	\$0	\$0	\$0
Total Sales	\$109,000	\$596,000	\$596,000
Direct Unit Costs			
Giant Taro	\$7.50	\$7.50	\$7.50
Dryland Taro	\$0.25	\$0.25	\$0.25
Cassava	\$0.05	\$0.05	\$0.05
Breadfruit	\$0.20	\$0.20	\$0.20
Plantain	\$8.00	\$8.00	\$8.00
Royal Palm	\$250.00	\$250.00	\$250.00
Coconut Palm	\$0.00	\$0.00	\$0.00
Manila Palm	\$0.00	\$0.00	\$0.00
Direct Cost of Sales			
Giant Taro	\$9,000	\$105,000	\$105,000
Dryland Taro	\$6,000	\$18,750	\$18,750
Cassava	\$450	\$1,500	\$1,500
Breadfruit	\$550	\$800	\$800
Plantain	\$4,800	\$9,600	\$9,600
Royal Palm	\$1,500	\$3,000	\$3,000
Coconut Palm	\$0	\$0	\$0
Manila Palm	\$0	\$0	\$0
Subtotal Direct Cost of Sales	\$22,300	\$138,650	\$138,650

ALATINI FARM

Sales Monthly



Sales by Year



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6.0 Management Summary

AF will be an sole proprietorship company.

6.1 Personnel Plan

Table: Personnel

Personnel Plan	FY 2007	FY 2008	FY 2009
Fulltime Farmer	\$24,960	\$24,960	\$24,960
Name or Title or Group	\$0	\$24,960	\$24,960
Total People	1	2	2
Total Payroll	\$24,960	\$49,920	\$49,920

7.0 Financial Plan

7.1 Start-up Funding

Owners will invest \$30,000 in cash, \$25,000 worth of equipment, and labor to the start up.

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Table: Start-up Funding

Start-up Funding	
Start-up Expenses to Fund	\$8,200
Start-up Assets to Fund	\$70,000
Total Funding Required	\$78,200
Assets	
Non-cash Assets from Start-up	\$40,000
Cash Requirements from Start-up	\$30,000
Additional Cash Raised	\$0
Cash Balance on Starting Date	\$30,000
Total Assets	\$70,000
Liabilities and Capital	
Liabilities	
Current Borrowing	\$0
Long-term Liabilities	\$0
Accounts Payable (Outstanding Bills)	\$0
Other Current Liabilities (interest-free)	\$0
Total Liabilities	\$0
Capital	
Planned Investment	
Owner	\$0
Investor	\$0
Additional Investment Requirement	\$78,200
Total Planned Investment	\$78,200
Loss at Start-up (Start-up Expenses)	(\$8,200)
Total Capital	\$70,000
Total Capital and Liabilities	\$70,000
Total Funding	\$78,200

7.2 Important Assumptions

The table below presents the assumptions used in the financial calculations of this business plan.

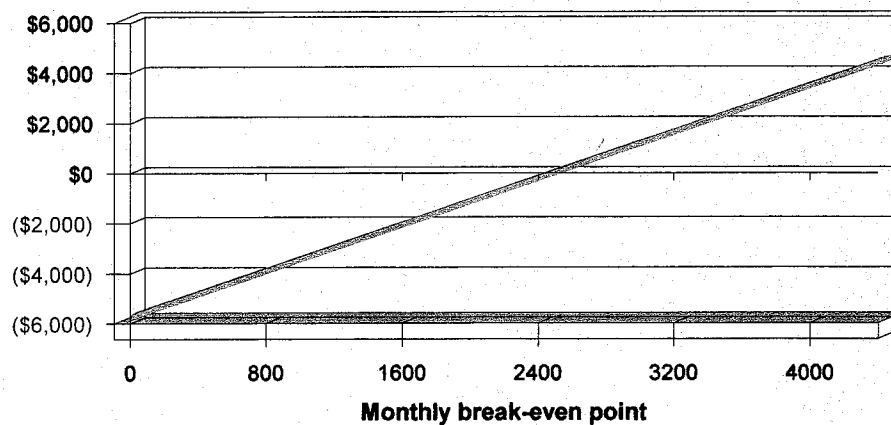
7.3 Break-even Analysis

Table: Break-even Analysis

Break-even Analysis	
Monthly Units Break-even	2,496
Monthly Revenue Break-even	\$7,244
Assumptions:	
Average Per-Unit Revenue	\$2.90
Average Per-Unit Variable Cost	\$0.59
Estimated Monthly Fixed Cost	\$5,762

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Break-even Analysis



Break-even point = where line intersects with 0

7.4 Projected Profit and Loss

Our Pro Forma Profit and Loss statement was constructed from a conservative point-of-view, and is based in large part on past experience. By strengthening our service position, and building our customer relationships, we will widen our customer base and increase sales.

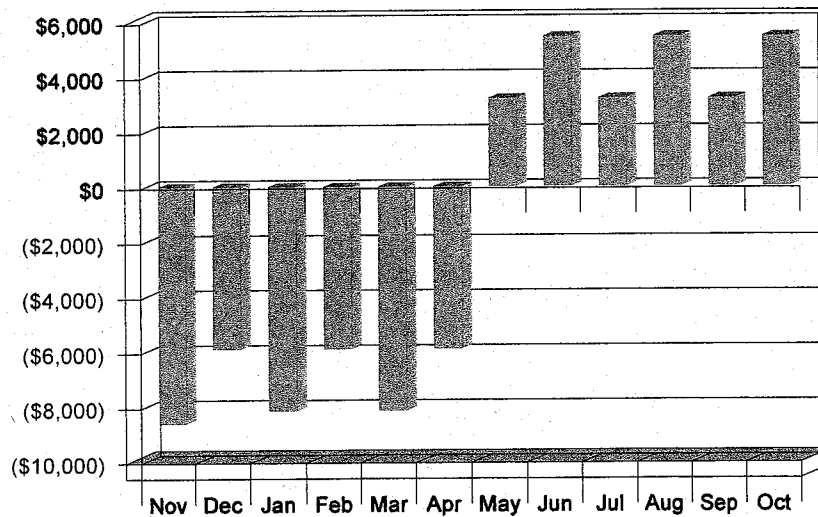
Month-to-month assumptions for profit and loss are included in the appendix.

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Table: Profit and Loss

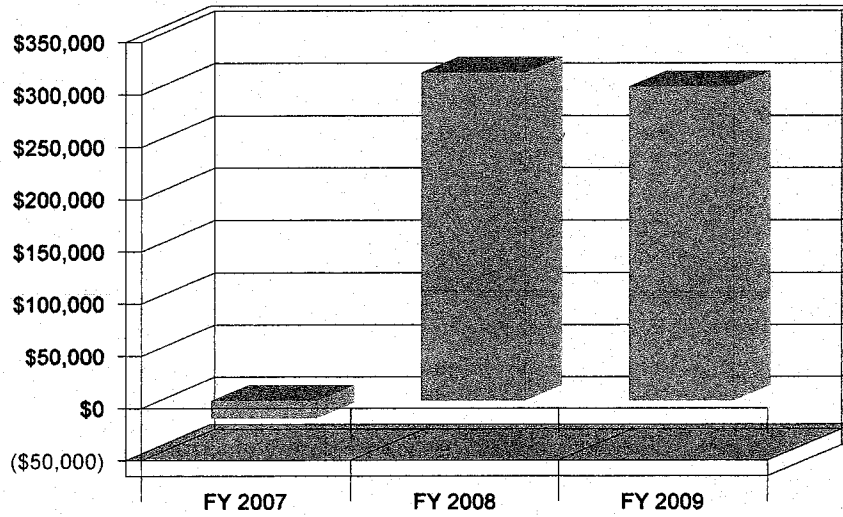
Pro Forma Profit and Loss			
	FY 2007	FY 2008	FY 2009
Sales	\$109,000	\$596,000	\$596,000
Direct Costs of Goods	\$22,300	\$138,650	\$138,650
Other Costs of Goods	\$34,200	\$44,460	\$57,798
Cost of Goods Sold	\$56,500	\$183,110	\$196,448
Gross Margin	\$52,500	\$412,890	\$399,552
Gross Margin %	48.17%	69.28%	67.04%
Expenses			
Payroll	\$24,960	\$49,920	\$49,920
Marketing/Promotion	\$1,800	\$2,000	\$2,000
Depreciation	\$4,800	\$4,800	\$4,800
Lease	\$14,400	\$14,400	\$14,400
Utilities	\$1,440	\$1,440	\$1,440
Insurance	\$3,600	\$3,600	\$3,600
Payroll Taxes	\$3,744	\$7,488	\$7,488
Vehicle Lease	\$10,800	\$10,800	\$10,800
Equipment Lease/Rental	\$2,400	\$2,400	\$2,400
Other	\$1,200	\$2,400	\$2,400
Total Operating Expenses	\$69,144	\$99,248	\$99,248
Profit Before Interest and Taxes	(\$16,644)	\$313,642	\$300,304
EBITDA	(\$11,844)	\$318,442	\$305,104
Interest Expense	\$0	\$0	\$0
Taxes Incurred	\$0	\$0	\$0
Net Profit	(\$16,644)	\$313,642	\$300,304
Net Profit/Sales	-15.27%	52.62%	50.39%

Profit Monthly

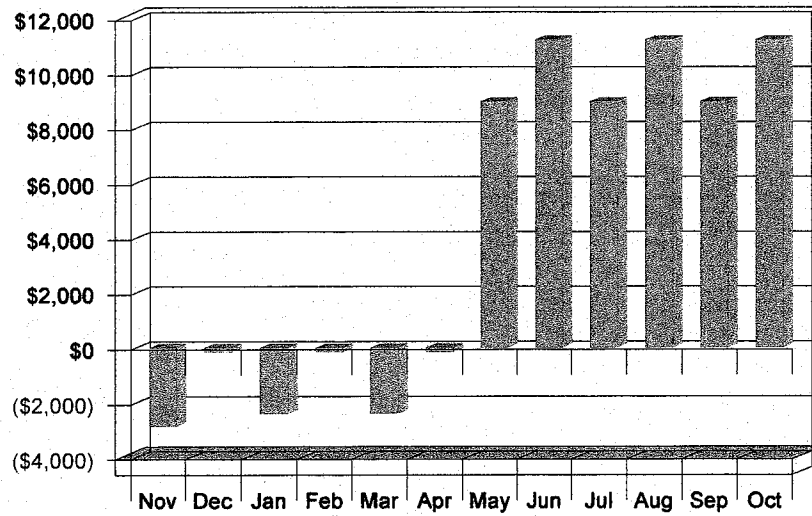


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Profit Yearly

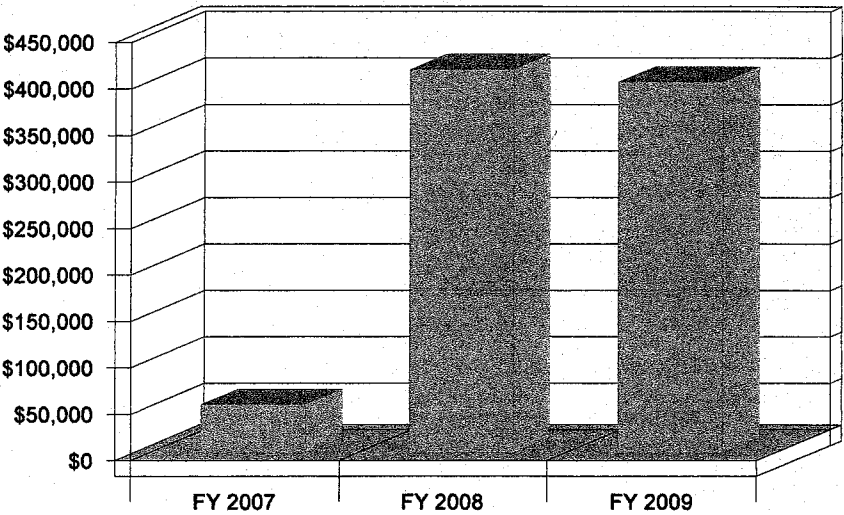


Gross Margin Monthly



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Gross Margin Yearly



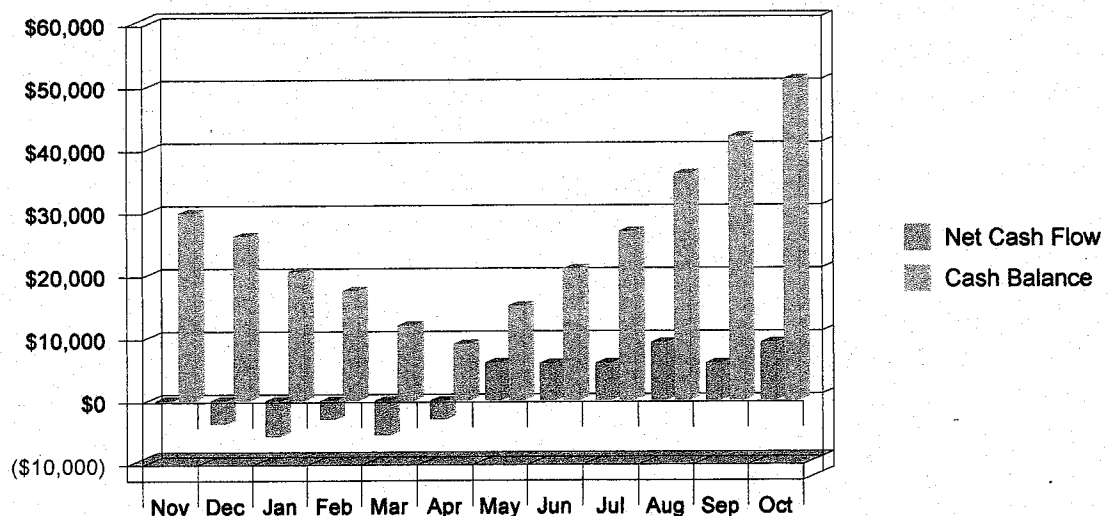
7.5 Projected Cash Flow

ALATINI FARM

Table: Cash Flow

Pro Forma Cash Flow	FY 2007	FY 2008	FY 2009
Cash Received			
Cash from Operations			
Cash Sales	\$81,750	\$447,000	\$447,000
Cash from Receivables	\$19,127	\$112,708	\$149,000
Subtotal Cash from Operations	\$100,877	\$559,708	\$596,000
Additional Cash Received			
Sales Tax, VAT, HST/GST Received	\$4,360	\$23,840	\$23,840
New Current Borrowing	\$0	\$0	\$0
New Other Liabilities (interest-free)	\$30,000	\$0	\$0
New Long-term Liabilities	\$0	\$0	\$0
Sales of Other Current Assets	\$0	\$0	\$0
Sales of Long-term Assets	\$0	\$0	\$0
New Investment Received	\$0	\$0	\$0
Subtotal Cash Received	\$135,237	\$583,548	\$619,840
Expenditures			
Expenditures from Operations			
Cash Spending	\$24,960	\$49,920	\$49,920
Bill Payments	\$84,837	\$236,248	\$241,456
Subtotal Spent on Operations	\$109,797	\$286,168	\$291,376
Additional Cash Spent			
Sales Tax, VAT, HST/GST Paid Out	\$4,360	\$23,840	\$23,840
Principal Repayment of Current Borrowing	\$0	\$0	\$0
Other Liabilities Principal Repayment	\$0	\$0	\$0
Long-term Liabilities Principal Repayment	\$0	\$0	\$0
Purchase Other Current Assets	\$0	\$0	\$0
Purchase Long-term Assets	\$0	\$0	\$0
Dividends	\$0	\$0	\$0
Subtotal Cash Spent	\$114,157	\$310,008	\$315,216
Net Cash Flow	\$21,080	\$273,540	\$304,624
Cash Balance	\$51,080	\$324,619	\$629,244

Cash



ALATINI FARM

7.6 Projected Balance Sheet

Table: Balance Sheet

Pro Forma Balance Sheet			
	FY 2007	FY 2008	FY 2009
Assets			
Current Assets			
Cash	\$51,080	\$324,619	\$629,244
Accounts Receivable	\$8,123	\$44,415	\$44,415
Inventory	\$3,675	\$22,849	\$22,849
Other Current Assets	\$25,000	\$25,000	\$25,000
Total Current Assets	\$87,878	\$416,884	\$721,508
Long-term Assets			
Long-term Assets	\$10,000	\$10,000	\$10,000
Accumulated Depreciation	\$4,800	\$9,600	\$14,400
Total Long-term Assets	\$5,200	\$400	(\$4,400)
Total Assets	\$93,078	\$417,284	\$717,108
Liabilities and Capital			
Current Liabilities			
Accounts Payable	\$9,722	\$20,286	\$19,806
Current Borrowing	\$0	\$0	\$0
Other Current Liabilities	\$30,000	\$30,000	\$30,000
Subtotal Current Liabilities	\$39,722	\$50,286	\$49,806
Long-term Liabilities	\$0	\$0	\$0
Total Liabilities	\$39,722	\$50,286	\$49,806
Paid-in Capital	\$78,200	\$78,200	\$78,200
Retained Earnings	(\$8,200)	(\$24,844)	\$288,798
Earnings	(\$16,644)	\$313,642	\$300,304
Total Capital	\$53,356	\$366,998	\$667,302
Total Liabilities and Capital	\$93,078	\$417,284	\$717,108
Net Worth	\$53,356	\$366,998	\$667,302

7.7 Business Ratios

ALATINI FARM

Table: Ratios

Ratio Analysis				
	FY 2007	FY 2008	FY 2009	Industry Profile
Sales Growth	0.00%	446.79%	0.00%	6.59%
Percent of Total Assets				
Accounts Receivable	8.73%	10.64%	6.19%	3.88%
Inventory	3.95%	5.48%	3.19%	8.26%
Other Current Assets	26.86%	5.99%	3.49%	31.59%
Total Current Assets	94.41%	99.90%	100.61%	43.73%
Long-term Assets	5.59%	0.10%	-0.61%	56.27%
Total Assets	100.00%	100.00%	100.00%	100.00%
Current Liabilities	42.68%	12.05%	6.95%	26.31%
Long-term Liabilities	0.00%	0.00%	0.00%	23.29%
Total Liabilities	42.68%	12.05%	6.95%	49.60%
Net Worth	57.32%	87.95%	93.05%	50.40%
Percent of Sales				
Sales	100.00%	100.00%	100.00%	100.00%
Gross Margin	48.17%	69.28%	67.04%	62.43%
Selling, General & Administrative Expenses	63.43%	16.65%	16.65%	35.70%
Advertising Expenses	1.65%	0.34%	0.34%	0.26%
Profit Before Interest and Taxes	-15.27%	52.62%	50.39%	2.37%
Main Ratios				
Current	2.21	8.29	14.49	0.95
Quick	2.12	7.84	14.03	0.43
Total Debt to Total Assets	42.68%	12.05%	6.95%	63.07%
Pre-tax Return on Net Worth	-31.19%	85.46%	45.00%	2.73%
Pre-tax Return on Assets	-17.88%	75.16%	41.88%	7.39%
Additional Ratios				
Net Profit Margin	-15.27%	52.62%	50.39%	n.a
Return on Equity	-31.19%	85.46%	45.00%	n.a
Activity Ratios				
Accounts Receivable Turnover	3.35	3.35	3.35	n.a
Collection Days	55	64	109	n.a
Inventory Turnover	5.54	10.45	6.07	n.a
Accounts Payable Turnover	9.73	12.17	12.17	n.a
Payment Days	27	22	30	n.a
Total Asset Turnover	1.17	1.43	0.83	n.a
Debt Ratios				
Debt to Net Worth	0.74	0.14	0.07	n.a
Current Liab. to Liab.	1.00	1.00	1.00	n.a
Liquidity Ratios				
Net Working Capital	\$48,156	\$366,598	\$671,702	n.a
Interest Coverage	0.00	0.00	0.00	n.a
Additional Ratios				
Assets to Sales	0.85	0.70	1.20	n.a
Current Debt/Total Assets	43%	12%	7%	n.a
Acid Test	1.92	6.95	13.14	n.a
Sales/Net Worth	2.04	1.62	0.89	n.a
Dividend Payout	0.00	0.00	0.00	n.a

Appendix

Table: Sales Forecast

Sales Forecast												
Unit Sales	Nov-06	Dec-06	Jan-07	Feb-07	Mar-07	Apr-07	May-07	Jun-07	Jul-07	Aug-07	Sep-07	Oct-07
Giant Taro	0	0	0	0	0	0	200	200	200	200	200	200
Dryland Taro	0%	0	0	0	0	0	4,000	4,000	4,000	4,000	4,000	4,000
Cassava	0%	0	0	0	0	0	1,500	1,500	1,500	1,500	1,500	1,500
Breadfruit	0%	0	250	250	250	250	250	250	250	250	250	250
Plantain	0%	0	0	0	0	0	100	100	100	100	100	100
Royal Palm	0%	0	0	0	0	0	0	0	0	0	0	0
Coconut Palm	0%	0	0	0	0	0	0	0	0	0	0	0
Manilla Palm	0%	0	0	0	0	0	0	0	0	0	0	0
Total Unit Sales	0	251	250	251	250	251	6,050	6,051	6,050	6,051	6,050	6,051
Unit Prices												
Giant Taro	Nov-06	Dec-06	Jan-07	Feb-07	Mar-07	Apr-07	May-07	Jun-07	Jul-07	Aug-07	Sep-07	Oct-07
Dryland Taro	\$30.00	\$30.00	\$30.00	\$30.00	\$30.00	\$30.00	\$30.00	\$30.00	\$30.00	\$30.00	\$30.00	\$30.00
Cassava	\$1.00	\$1.00	\$1.00	\$1.00	\$1.00	\$1.00	\$1.00	\$1.00	\$1.00	\$1.00	\$1.00	\$1.00
Breadfruit	\$0.50	\$0.50	\$0.50	\$0.50	\$0.50	\$0.50	\$0.50	\$0.50	\$0.50	\$0.50	\$0.50	\$0.50
Plantain	\$2.00	\$2.00	\$2.00	\$2.00	\$2.00	\$2.00	\$2.00	\$2.00	\$2.00	\$2.00	\$2.00	\$2.00
Royal Palm	\$40.00	\$40.00	\$40.00	\$40.00	\$40.00	\$40.00	\$40.00	\$40.00	\$40.00	\$40.00	\$40.00	\$40.00
Coconut Palm	\$2,500.00	\$2,500.00	\$2,500.00	\$2,500.00	\$2,500.00	\$2,500.00	\$2,500.00	\$2,500.00	\$2,500.00	\$2,500.00	\$2,500.00	\$2,500.00
Manilla Palm	\$600.00	\$600.00	\$600.00	\$600.00	\$600.00	\$600.00	\$600.00	\$600.00	\$600.00	\$600.00	\$600.00	\$600.00
Total Sales	\$300.00	\$300.00	\$300.00	\$300.00	\$300.00	\$300.00	\$300.00	\$300.00	\$300.00	\$300.00	\$300.00	\$300.00
Sales												
Giant Taro	\$0	\$0	\$0	\$0	\$0	\$0	\$6,000	\$6,000	\$6,000	\$6,000	\$6,000	\$6,000
Dryland Taro	\$0	\$0	\$0	\$0	\$0	\$0	\$4,000	\$4,000	\$4,000	\$4,000	\$4,000	\$4,000
Cassava	\$0	\$0	\$0	\$0	\$0	\$0	\$750	\$750	\$750	\$750	\$750	\$750
Breadfruit	\$0	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$500	\$500
Plantain	\$0	\$0	\$0	\$0	\$0	\$0	\$4,000	\$4,000	\$4,000	\$4,000	\$4,000	\$4,000
Royal Palm	\$0	\$2,500	\$2,500	\$2,500	\$2,500	\$2,500	\$2,500	\$2,500	\$2,500	\$2,500	\$2,500	\$2,500
Coconut Palm	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Manilla Palm	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Sales	\$0	\$3,000	\$500	\$3,000	\$500	\$3,000	\$15,250	\$17,750	\$15,250	\$17,750	\$15,250	\$17,750
Direct Unit Costs												
Giant Taro	25.00%	\$7.50	\$7.50	\$7.50	\$7.50	\$7.50	\$7.50	\$7.50	\$7.50	\$7.50	\$7.50	\$7.50
Dryland Taro	25.00%	\$0.25	\$0.25	\$0.25	\$0.25	\$0.25	\$0.25	\$0.25	\$0.25	\$0.25	\$0.25	\$0.25
Cassava	10.00%	\$0.05	\$0.05	\$0.05	\$0.05	\$0.05	\$0.05	\$0.05	\$0.05	\$0.05	\$0.05	\$0.05
Breadfruit	10.00%	\$0.20	\$0.20	\$0.20	\$0.20	\$0.20	\$0.20	\$0.20	\$0.20	\$0.20	\$0.20	\$0.20
Plantain	20.00%	\$8.00	\$8.00	\$8.00	\$8.00	\$8.00	\$8.00	\$8.00	\$8.00	\$8.00	\$8.00	\$8.00
Royal Palm	10.00%	\$250.00	\$250.00	\$250.00	\$250.00	\$250.00	\$250.00	\$250.00	\$250.00	\$250.00	\$250.00	\$250.00
Coconut Palm	10.00%	\$60.00	\$60.00	\$60.00	\$60.00	\$60.00	\$60.00	\$60.00	\$60.00	\$60.00	\$60.00	\$60.00
Manilla Palm	5.00%	\$15.00	\$15.00	\$15.00	\$15.00	\$15.00	\$15.00	\$15.00	\$15.00	\$15.00	\$15.00	\$15.00
Direct Cost of Sales												
Giant Taro	\$0	\$0	\$0	\$0	\$0	\$0	\$1,500	\$1,500	\$1,500	\$1,500	\$1,500	\$1,500
Dryland Taro	\$0	\$0	\$0	\$0	\$0	\$0	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000
Cassava	\$0	\$0	\$0	\$0	\$0	\$0	\$75	\$75	\$75	\$75	\$75	\$75
Breadfruit	\$0	\$50	\$50	\$50	\$50	\$50	\$50	\$50	\$50	\$50	\$50	\$50
Plantain	\$0	\$0	\$0	\$0	\$0	\$0	\$800	\$800	\$800	\$800	\$800	\$800
Royal Palm	\$0	\$250	\$250	\$250	\$250	\$250	\$250	\$250	\$250	\$250	\$250	\$250
Coconut Palm	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Manilla Palm	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Subtotal Direct Cost of Sales	\$0	\$300	\$50	\$300	\$50	\$300	\$3,425	\$3,675	\$3,425	\$3,675	\$3,425	\$3,675

EXHIBIT

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Appendix

Table: Personnel

Personnel Plan		Nov-06	Dec-06	Jan-07	Feb-07	Mar-07	Apr-07	May-07	Jun-07	Jul-07	Aug-07	Sep-07	Oct-07
Fulltime Farmer Name or Title or Group	0%	\$2,080	\$2,080	\$2,080	\$2,080	\$2,080	\$2,080	\$2,080	\$2,080	\$2,080	\$2,080	\$2,080	\$2,080
	0%	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total People		1	1	1	1	1	1	1	1	1	1	1	1
Total Payroll		\$2,080	\$2,080	\$2,080	\$2,080	\$2,080	\$2,080	\$2,080	\$2,080	\$2,080	\$2,080	\$2,080	\$2,080

Appendix

Table: Profit and Loss

Pro Forma Profit and Loss	Nov-06	Dec-06	Jan-07	Feb-07	Mar-07	Apr-07	May-07	Jun-07	Jul-07	Aug-07	Sep-07	Oct-07
Sales	\$0	\$3,000	\$500	\$3,000	\$500	\$3,000	\$15,250	\$17,750	\$15,250	\$17,750	\$15,250	\$17,750
Direct Costs of Goods	\$0	\$300	\$50	\$300	\$50	\$300	\$3,675	\$3,675	\$3,425	\$3,675	\$3,425	\$3,675
Other Costs of Goods	\$2,850	\$2,850	\$2,850	\$2,850	\$2,850	\$2,850	\$2,850	\$2,850	\$2,850	\$2,850	\$2,850	\$2,850
Cost of Goods Sold	\$2,850	\$3,150	\$2,900	\$3,150	\$2,900	\$3,150	\$6,275	\$6,525	\$6,275	\$6,525	\$6,275	\$6,525
Gross Margin	(\$2,850)	(\$150)	(\$2,400)	(\$150)	(\$2,400)	(\$150)	\$8,975	\$11,225	\$8,975	\$11,225	\$8,975	\$11,225
Gross Margin %	0.00%	-5.00%	-480.00%	-5.00%	-480.00%	-5.00%	58.85%	63.24%	58.85%	63.24%	58.85%	63.24%
Expenses												
Payroll	\$2,080	\$2,080	\$2,080	\$2,080	\$2,080	\$2,080	\$2,080	\$2,080	\$2,080	\$2,080	\$2,080	\$2,080
Marketing/Promotion	\$150	\$150	\$150	\$150	\$150	\$150	\$150	\$150	\$150	\$150	\$150	\$150
Depreciation	\$400	\$400	\$400	\$400	\$400	\$400	\$400	\$400	\$400	\$400	\$400	\$400
Lease	\$1,200	\$1,200	\$1,200	\$1,200	\$1,200	\$1,200	\$1,200	\$1,200	\$1,200	\$1,200	\$1,200	\$1,200
Utilities	\$120	\$120	\$120	\$120	\$120	\$120	\$120	\$120	\$120	\$120	\$120	\$120
Insurance	\$300	\$300	\$300	\$300	\$300	\$300	\$300	\$300	\$300	\$300	\$300	\$300
Payroll Taxes	\$312	\$312	\$312	\$312	\$312	\$312	\$312	\$312	\$312	\$312	\$312	\$312
Vehicle Lease	\$900	\$900	\$900	\$900	\$900	\$900	\$900	\$900	\$900	\$900	\$900	\$900
Equipment Lease/Rental	\$200	\$200	\$200	\$200	\$200	\$200	\$200	\$200	\$200	\$200	\$200	\$200
Other	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100	\$100
Total Operating Expenses	\$5,762	\$5,762	\$5,762	\$5,762	\$5,762	\$5,762	\$5,762	\$5,762	\$5,762	\$5,762	\$5,762	\$5,762
Profit Before Interest and Taxes	(\$8,612)	(\$5,912)	(\$8,162)	(\$5,912)	(\$8,162)	(\$5,912)	\$3,213	\$5,463	\$3,213	\$5,463	\$3,213	\$5,463
EBITDA	(\$8,212)	(\$5,512)	(\$7,762)	(\$5,512)	(\$7,762)	(\$5,512)	\$3,613	\$5,863	\$3,613	\$5,863	\$3,613	\$5,863
Interest Expense	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Taxes Incurred	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Net Profit	(\$8,612)	(\$5,912)	(\$8,162)	(\$5,912)	(\$8,162)	(\$5,912)	\$3,213	\$5,463	\$3,213	\$5,463	\$3,213	\$5,463
Net Profit/Sales	0.00%	-197.07%	-1632.40%	-197.07%	-1632.40%	-197.07%	21.07%	30.78%	21.07%	30.78%	21.07%	30.78%

Appendix

Table: Cash Flow

Pro Forma Cash Flow	Nov-06	Dec-06	Jan-07	Feb-07	Mar-07	Apr-07	May-07	Jun-07	Jul-07	Aug-07	Sep-07	Oct-07
Cash Received												
Cash from Operations												
Cash Sales	\$0	\$2,250	\$375	\$2,250	\$375	\$2,250	\$11,438	\$13,313	\$11,438	\$13,313	\$11,438	\$13,313
Cash from Receivables	\$0	\$0	\$25	\$729	\$146	\$729	\$146	\$852	\$3,833	\$4,417	\$3,833	\$4,417
Subtotal Cash from Operations	\$0	\$2,250	\$400	\$2,979	\$521	\$2,979	\$11,583	\$14,165	\$15,271	\$17,729	\$15,271	\$17,729
Additional Cash Received												
Sales Tax, VAT, HST/GST Received	\$0	\$120	\$20	\$120	\$20	\$120	\$610	\$710	\$610	\$710	\$610	\$710
New Current Borrowing	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
New Other Liabilities (Interest-free)	\$2,500	\$2,500	\$2,500	\$2,500	\$2,500	\$2,500	\$2,500	\$2,500	\$2,500	\$2,500	\$2,500	\$2,500
New Long-term Liabilities	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Sales of Other Current Assets	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Sales of Long-term Assets	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
New Investment Received	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Subtotal Cash Received	\$2,500	\$4,870	\$2,920	\$5,599	\$3,041	\$5,599	\$14,693	\$17,375	\$18,381	\$20,939	\$18,381	\$20,939
Expenditures												
Expenditures from Operations												
Cash Spending	\$2,080	\$2,080	\$2,080	\$2,080	\$2,080	\$2,080	\$2,080	\$2,080	\$2,080	\$2,080	\$2,080	\$2,080
Bill Payments	\$204	\$6,132	\$6,132	\$6,132	\$6,132	\$6,132	\$6,227	\$9,018	\$10,032	\$9,332	\$10,032	\$9,332
Subtotal Spent on Operations	\$2,284	\$8,212	\$8,212	\$8,212	\$8,212	\$8,212	\$8,307	\$11,098	\$12,112	\$11,412	\$12,112	\$11,412
Additional Cash Spent												
Sales Tax, VAT, HST/GST Paid Out	\$363	\$363	\$363	\$363	\$363	\$363	\$363	\$363	\$363	\$363	\$363	\$363
Principal Repayment of Current Borrowing	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Other Liabilities Principal Repayment	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Long-term Liabilities Principal Repayment	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Purchase Other Current Assets	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Purchase Long-term Assets	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Dividends	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Subtotal Cash Spent	\$2,648	\$8,575	\$8,575	\$8,575	\$8,575	\$8,575	\$8,670	\$11,461	\$12,475	\$11,775	\$12,475	\$11,775
Net Cash Flow	(\$148)	(\$3,705)	(\$5,655)	(\$2,976)	(\$5,535)	(\$2,976)	\$6,023	\$5,913	\$5,906	\$9,164	\$5,906	\$9,164
Cash Balance	\$29,852	\$28,147	\$20,492	\$17,515	\$11,981	\$9,005	\$15,028	\$20,941	\$26,847	\$36,011	\$41,916	\$51,080

Appendix

Table: Balance Sheet

Pro Forma Balance Sheet											
Assets	Starting Balances										
	Nov-06	Dec-06	Jan-07	Feb-07	Mar-07	Apr-07	May-07	Jun-07	Jul-07	Aug-07	Oct-07
Current Assets											
Cash	\$30,000	\$29,852	\$20,492	\$17,515	\$11,981	\$9,005	\$15,028	\$20,941	\$28,847	\$36,011	\$41,916
Accounts Receivable	\$0	\$0	\$850	\$871	\$850	\$871	\$4,538	\$8,123	\$8,102	\$8,123	\$8,123
Inventory	\$5,000	\$4,700	\$4,650	\$4,350	\$4,300	\$4,000	\$3,425	\$3,675	\$3,425	\$3,675	\$3,675
Other Current Assets	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000
Total Current Assets	\$60,000	\$59,552	\$50,992	\$47,736	\$42,131	\$38,876	\$47,990	\$57,739	\$63,374	\$72,808	\$87,878
Long-term Assets											
Long-term Assets	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000
Accumulated Depreciation	\$0	\$800	\$1,200	\$1,600	\$2,000	\$2,400	\$2,800	\$3,200	\$3,600	\$4,000	\$4,800
Total Long-term Assets	\$10,000	\$9,200	\$8,800	\$8,400	\$8,000	\$7,600	\$7,200	\$6,800	\$6,400	\$6,000	\$5,200
Total Assets	\$70,000	\$68,752	\$59,792	\$56,136	\$50,131	\$46,476	\$55,190	\$64,539	\$69,774	\$78,808	\$93,078
Liabilities and Capital											
Current Liabilities											
Accounts Payable	\$0	\$5,928	\$5,928	\$5,928	\$5,928	\$5,928	\$8,683	\$9,722	\$8,997	\$9,722	\$9,722
Current Borrowing	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Other Current Liabilities	\$0	\$2,137	\$6,550	\$8,807	\$10,963	\$13,220	\$15,967	\$18,813	\$21,560	\$24,407	\$27,153
Subtotal Current Liabilities	\$0	\$8,064	\$12,478	\$14,734	\$16,891	\$19,148	\$24,649	\$28,535	\$30,557	\$34,128	\$36,875
Long-term Liabilities											
Long-term Liabilities	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Liabilities	\$0	\$8,064	\$12,478	\$14,734	\$16,891	\$19,148	\$24,649	\$28,535	\$30,557	\$34,128	\$36,875
Equity											
Paid-in Capital	\$78,200	\$78,200	\$78,200	\$78,200	\$78,200	\$78,200	\$78,200	\$78,200	\$78,200	\$78,200	\$78,200
Retained Earnings	(\$8,200)	(\$8,200)	(\$8,200)	(\$8,200)	(\$8,200)	(\$8,200)	(\$8,200)	(\$8,200)	(\$8,200)	(\$8,200)	(\$8,200)
Earnings	\$0	(\$14,524)	(\$22,886)	(\$28,598)	(\$36,760)	(\$42,672)	(\$39,459)	(\$33,996)	(\$30,783)	(\$25,320)	(\$16,644)
Total Capital	\$70,000	\$61,388	\$47,314	\$41,402	\$33,240	\$27,328	\$30,541	\$36,004	\$39,217	\$44,680	\$53,356
Total Liabilities and Capital	\$70,000	\$69,452	\$59,792	\$56,136	\$50,131	\$46,476	\$55,190	\$64,539	\$69,774	\$78,808	\$93,078
Net Worth	\$70,000	\$55,476	\$47,314	\$41,402	\$33,240	\$27,328	\$30,541	\$36,004	\$39,217	\$44,680	\$53,356

